

BUDGET OVERVIEW

The financial data presented in this section represent the Financial Summary and a written Overview of the revenues and expenditures or expenses for all of City of Memphis Funds. Some totals may be off due to rounding.

Budget Overview

Across America the COVID-19 pandemic has caused governments to develop budgets with extreme uncertainties. As businesses, schools, and churches have closed to protect the public's health, revenues from once bustling economic activities have dropped sharply; record low unemployment has spiked to record high unemployment, and hospital utilization, because of COVID-19, is on the rise. These conditions have established the backdrop for the City of Memphis's Fiscal Year 2021 (FY21) budget plan and provide the context for the numbers presented hereinafter.

The City of Memphis' FY21 general fund budget is \$708.7M. This budget embraces the expected impact of COVID-19 on our economy while yet balancing appropriations to The Mayor's priorities: **Youth** - which focuses on collaboration with community partners, connecting our youth with opportunities, and increasing third grade reading levels; **Public Safety** – which focuses on crime reduction, decreasing emergency medical calls for non-emergent situations, and increasing 911 response times; **Neighborhoods** – which focuses on increasing access to parks, reducing blight and improving roads; **Good Government** – which focuses on customer service and fiscal stewardship; and **Jobs** – which focuses on growing employers, educating and training our workforce.

The general fund supports the City's operations with revenues primarily generated by the property tax rate. The property tax rate for FY21 is \$3.195986, the same as the prior year. This rate also provides funding for the City's debt service, Pre-K needs, and Capital Pay-Go. The debt fund pays for the debt obligations of our Capital Improvement Plan, the Pre-K fund is designated to pay for early childhood education, and the capital pay go fund allows the City to pay for certain capital needs without bond financing.

Other funds included in this document include the Enterprise Funds which are supported by user fees; Special Revenue Funds, supported by charges for specific services; and Internal Revenue Funds which are funded by a combination of inter-fund billings and various types of other revenues. These funds, along with the general fund, work together to provide services to the citizens of Memphis. The FY21 budgets, across all funds, incorporate a balanced approach service delivery and expense control based on expected revenues that reflect the economic environment.

The Economic Impact on Budget Planning

There is generally a correlating response in the performance of our local economy with that of the national economy. When the national economy does well, so does Memphis. For FY21 the COVID-19 pandemic is the major driver of the economic impact on Memphis' FY21 budget. As such, the budget is presented with a new paradigm that considers new business operational policies resulting from local measures taken to control the pandemic situation.

The new paradigm has businesses operating with capacity restraints, hours of operation restrictions, and social distancing rules to name a few of the changes. Stay at home orders further curtail local business income opportunities. The result of these measures taken for the health and safety of the Ci-

zens of Memphis have negatively impacted many of the City's major revenue sources, such as local sales taxes, charges for services, and business fees. The impact of COVID-19 is projected to continue effecting business performance in FY21. Therefore, the usual economic business performance expectations for revenue growth will not occur. The FY21 budget is presented with a revenue decline for FY21.

In summary, the economic outlook for Memphis is yet dependent on the COVID-19 pandemic. Additional discussion pertaining to our economy, from the University of Memphis, can be found later in this section.

Performance Accountability Plans

The City's Mission: To improve the quality of life for all Memphians, every day. In support of this mission,

Mayor Strickland has championed the improvement of core city services and a commitment to transparency and trust as part of his "brilliant at the basics" philosophy for city government. By practicing our values of Innovation, Accountability, Collaboration and Service prioritization transformation to being "brilliant at the basics" will allow the growth to multiply throughout Memphis.

The Office of Performance Management has been established for some time. This office has the responsibility to increase performance transparency to the Citizens of Memphis by managing the City's performance review process as well as the public-facing and internal MEMFacts performance dashboards. The Office of Performance Management works to provide the public and City staff with easy access to the information they need and new management accountability tools for both operational and fiscal management.

To make good use of its integrated performance data, the City has established a business process that includes regular and recurring performance reviews to address divisional issues, as well as issues that cross divisional lines.

The City's Mayor is committed to continuous improvement and transparency, and has promised to measure the City's results, share those results with the public, and hold the City accountable. To that end, the City of Memphis maintains a public website, data.memphistn.gov, where the public can view the City's performance goals and track its progress against those goals. In addition, Mayor Strickland sends a weekly email update to citizens that tackles the city's challenges as well as celebrates its successes. Memphis is one of 7 cities that received the What Works Cities certification for its data driven decision making process that tracks a variety of metrics through its performance dashboard which provides statistics such as 911 response times and crime data.



PERFORMANCE MANAGEMENT IN MEMPHIS

Throughout this document, with the exception of the divisions of City Council, City Court Clerk, and City Judges, we identify each general fund division's key performance indicators (KPI's) and goals to measure effectiveness. These KPI's represent a selection of

the indicators that we use to monitor organizational performance. The highest priority indicators are reviewed monthly by senior management to track the city's progress and identify areas that need further attention to reach our goals.

General Fund Discussion

Because of reduced revenue expectations brought about by COVID-19 the FY21 adopted budget is \$2.8M below the FY20 adopted budget. The proposed FY21 general fund budget is balanced at \$708.7M. This budget does not require a tax increase. To overcome lower revenue projections and required budget expenditure increases significant reductions from prior spending trends were made in several areas including community programs, professional services, and the Memphis Area Transit Authority (MATA). The FY21 budget funds required increases in personnel including the pension Actuarially Determined Contribution (ADC), healthcare costs and overtime for Police and Fire. Appropriations for other priorities youth (creating additional summer jobs), and community services for Parks and Libraries is included. In some cases, service delivery will be different for the health and safety of our citizens.

Revenues

The FY21 budgeted revenue, without the use of fund balance is \$655.2M compared to the FY20 budget which was \$710.3M. Revenues are down in quite a few of our reliable sources. Local sales taxes and the total of all state taxes lead the way, down by -\$23.4M and -\$15.5M respectively.

The revenue budget was developed from management's trend experience and economic research from the University of Memphis (U of M). Focus is given to the forecast and trends for the top ten revenue sources.

To balance the FY21 budget a significant amount of reserves had to be used. The FY21 general fund revenue budget, without the use of fund balance, is 8% below the FY20 adopted budget. The FY21 budgeted revenues would have been even further below the

FY20 adopted budget if not for two new revenue sources: state grants, \$14.0M; and income from a local sales tax referendum, \$12.0M. The state grant is the City of Memphis' apportionment from the State of Tennessee in response to COVID-19. The sales tax funding is revenue generated from the action, approved by the voters, to increase the local sales tax to restore certain benefits to safety employees. These benefits are considered necessary for recruitment and retention of safety personnel. The referendum funding is included in transfers-in which is yet \$1.5 million below the FY20 adopted budget largely because of the \$7.0M less expected in MLGW PILOT revenues.

A summary of the major revenue variances from the FY20 adopted budget is shown below.

REVENUES

Fund Type	FY2020 Adopted	FY2021 Adopted	Inc./Dec.
General Fund	\$710,388,392	\$655,250,357	(\$55,138,035)

Notable FY2020 Budget Revenue Changes: -55.1M

- | | |
|---|---|
| ▪ 14.0 Million State Grant COVID-19 | ▪ -3.6 Million Total Charges for services |
| ▪ 1.0 Million PILOTS | ▪ -3.5 Million Tourism Development Zone Local |
| ▪ 0.2 Million Miscellaneous Revenue Changes | ▪ -2.5 Million Beer Sales Tax |
| ▪ -23.4 Million Local Sales Tax | ▪ -2.4 Million Total Other Revenues |
| ▪ -15.5 Million Total State Taxes | ▪ -2.3 Million Gross Rec Business Tax |
| ▪ -4.6 Million Total Fines and Forfeitures | ▪ -1.8 Million Investment Income |
| ▪ -4.0 Million Ad Valorem Tax - Current | ▪ -1.6 Million Mixed Drink Tax |
| ▪ -3.6 Million Ad Valorem Tax - Prior | ▪ -1.5 Million Transfers- In |

Expenditures

The FY21 revenue budget supports an expenditure budget that maintains employment at the current levels through this pandemic. Funding above the FY20 adopted budget only increased for expenditures that are critically required to deliver quality services to the citizens of Memphis, or outside of the administration's control - for example: pension ADC,

\$5.9M; overtime, \$3.7M; and computer software, \$3.3M. Budget reductions included -\$10.0M to public transit, -\$6.9M for professional services, and -\$2.5M of funding that supported community non-profits costs. Additional expenditure changes from the FY20 adopted budget are shown below.

EXPENDITURES

Fund Type	FY2020 Adopted	FY2021 Adopted	Inc./Dec.
General Fund	\$711,558,126	\$708,694,526	(\$2,863,600)

Notable FY2020 Budget Expenditure Changes: -2.7M

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ 20.4 Million Total Personnel ▪ 3.3 Million Per Computer Software ▪ 3.1 Million City Shop Charges ▪ 1.8 Million Tax Receivable Sale Vendor ▪ 0.6 Million Misc. Services and Charges ▪ 0.5 Million Trans Out Library Retirement Fund ▪ 0.3 Million Trans Out Community HUB Initiative ▪ 0.1 Million Professional Services ▪ -10.0 Million MATA ▪ -6.9 Million Misc Professional Services ▪ -4.0 Million EDGE ▪ -2.5 Million Community Initiative Grants ▪ -1.2 Million Demolitions ▪ -1.0 Million Data/Word Processing Software ▪ -1.0 Million Federal Grant Match- M&S | <ul style="list-style-type: none"> ▪ -1.0 Million Elections ▪ -0.5 Million Library Books ▪ -0.4 Million Clothing ▪ -0.4 Million Expense Recovery- M & S ▪ -0.3 Million Outside Supplies ▪ -0.3 Million Security ▪ -0.3 Million Ambassador's Fellowship Pay ▪ -0.2 Million Legal Services/Court cost ▪ -0.2 Million Travel ▪ -0.2 Million Utilities ▪ -0.2 Million Memphis & Shelby County Film ▪ -0.2 Million Family Safety Centers of Memphis ▪ -0.2 Million Juvenile Intervention ▪ -0.1 Million Urban Art ▪ -1.7 Million Miscellaneous Expense Changes |
|---|--|

Other Funds Discussion

Debt Service Fund

The Debt Service Fund provides for the accumulation of resources for the payment of general long-term debt principal, interest and related costs. This fund uses approximately 31% of the property tax rate and 7% of the local sales tax rate. Expenses for FY21 are

budgeted to be slightly less than the FY20 adopted budget largely due to lower principal and interest payments. The Debt Fund will produce a positive contribution to its fund balance.

DEBT FUND

Fund Type	FY2020 Adopted	FY2021 Adopted	Inc./Dec.
Debt Fund Expenses	\$173,917,154	\$170,487,500	(\$3,429,654)

Enterprise Funds

Enterprise Funds account for the acquisition, operation and maintenance of the City's facilities. The Sewer Fund and the Storm Water Fund are the City's Enterprise Funds. The Sewer Fund expenses for FY21 are budgeted to increase by approximately 13% over the FY20 budget. The expenses for chemicals and capital outlay are the main drivers for the increase.

These are planned increases and revenues are sufficient to absorb the increases.

The Storm Water Fund expenses are flat. The Storm Water Fund begin issuing its own debt, supported by its revenues, in FY20. The Storm Water Fund will produce a positive contribution to its fund balance for future initiatives.

ENTERPRISE FUNDS

Fund Type	FY2020 Adopted	FY2021 Adopted	Inc./Dec.
Sewer Treatment Expenses	\$129,440,550	\$146,177,071	\$16,736,521
Storm Water Expenses	\$24,563,647	\$24,560,409	(\$3,238)
Total Enterprise Fund	\$154,004,197	\$170,737,480	\$16,733,283

Internal Service Funds

Internal Service Funds (ISF) are used to budget for the costs of goods or services provided to other City divisions. The ISF revenues are generated from divisions using their services. Healthcare, Unemployment and Fleet represent the internal service funds in the FY21 budget.

for retired employees that remain on the city's health plan.

The City's health plan serves almost 6,000 active employees and 7,500 spouses and dependents. The Healthcare Fund expenses will increase because of health claim expenses. FY21 claims are expected to increase by 7% or \$6.0M. The Healthcare Fund is not budgeting to transfer any of its fund balance to support the OPEB fund, which pays healthcare expenses for retirees, to offset the expected claims expense

The Fleet Fund is continually striving to become more efficient in the provision of repair services to other divisions, and managing gas prices with timed purchases at lower market costs. Fleet Fund expenses will decrease in FY21 as the fund is not budgeted to transfer \$3.0M to the General Fund.

The Unemployment Fund has a healthy and accumulating fund balance. The expense decreased from the FY20 adopted budget because the fund will not transfer any of its reserves to the general fund in FY21.

INTERNAL SERVICE FUNDS

Fund Type	FY2020 Adopted	FY2021 Adopted	Inc./Dec.
Health Care Fund Expenses	\$87,889,108	\$95,136,067	\$7,246,959
Fleet Mgmt. Expenses	\$30,106,533	\$28,481,037	(\$1,625,496)
Unemployment Expense	\$1,100,000	\$200,000	(\$900,000)
Total Internal Service Fund	\$119,095,641	\$123,817,104	\$4,721,463

Special Revenue Funds

Special Revenue Funds provide budgets for specific revenue sources that are restricted to expenditures for specific purposes. There are ten Special Revenue Funds with spending represented in the FY21 budget. The largest Special Revenue Fund is Solid Waste (SW). This fund implemented a rate increase in FY20. This increase will cover the FY21 budgeted expenses which show a modest increase from the FY20 adopted budget.

The Pre-K Fund receives its revenues from property taxes collected by the City. The budgeted cost of the program represents an agreed funding amount that

includes several partners that have invested in the cost of education for our young citizens.

The 2019 Sales Tax Referendum Fund reflects new income from a half-cent increase in the local sales tax. The additional tax was approved to provide an increase in pension and benefits for police and fire-fighters. This income will offset the increased cost, across the General Fund and/ or the OPEB Fund, for the pension and benefit additions. The expected budget cost for FY21 is \$20.5M.

Other special revenue funds and their budgeted FY21 expense changes from the FY20 budget are identified below.

SPECIAL REVENUE FUNDS

Fund Type	FY2020 Adopted	FY2021 Adopted	Inc./Dec.
State Street Aid Expenses	\$20,303,600	\$17,803,600	(\$2,500,000)
Solid Waste Expenses	\$73,237,785	\$73,428,687	\$190,902
Drug Enforcement Fund Expenses	\$2,115,000	\$1,125,000	(\$990,000)
Metro Alarm Fund Expenses	\$2,295,216	\$2,159,260	(\$135,956)
Park Special Services Fund	\$166,752	—	(\$166,752)
Hotel/Motel Occupancy Tax Fund Expenses	\$14,683,050	\$11,947,385	(\$2,735,665)
New Memphis Arena Expenses	\$2,500,000	\$2,500,000	—
Fire EMS Fund	\$3,437,350	\$3,437,350	—
Electronic Traffic Citations	\$250,000	—	(\$250,000)
Pre-K	—	\$4,500,000	\$4,500,000
Community Catalyst Fund	—	—	—
Affordable Housing Trust Fund	—	—	—
HUB Community Impact Fund	\$250,000	\$550,965	\$300,965
2019 Sales Tax Referendum	—	\$20,562,855	\$20,562,855
Total Special Revenue Fund	\$119,238,753	\$138,015,102	\$18,776,349

Fiduciary Funds

Other Post-Employment Benefits (OPEB) is the Fiduciary Fund that pays for the healthcare of the City's retirees. To reduce costs in the OPEB fund, the City has transitioned many retirees to the various insurance exchanges resulting in a significant decrease in the cost of claims. Expenses have decreased significantly since FY15. Beginning in FY20 a referendum was passed to provide public safety retirees additional benefits which are reflected in the OPEB fund cost growth of \$12.1M for FY21. Revenues from the

2019 Sales Tax Referendum Fund will offset the increased claim cost.

The Library Retirement System Fund represents retirees that were not placed into the City's plans when the library system merged with the City.

The Pension Fund, which accounts for the activity of City retirees, is not shown below as it is not included in the Operating Ordinance for the adopted budget.

FIDUCIARY FUNDS

Fund Type	FY2020 Adopted	FY2021 Adopted	Inc./Dec.
OPEB Fund Expenses	\$15,546,665	\$27,677,376	\$12,130,711
Library Retirement System Fund	\$1,089,783	\$5,586,485	\$4,496,702
Total Fiduciary Fund	\$16,636,448	\$33,263,861	\$16,627,413

The FY2020-FY2021 Memphis Economic Outlook

Summary. The Economic base of Memphis remains strong as the economy begins a period of recovery from the depths of the COVID 19 pandemic in April 2020. The strength of the pre-pandemic economy will shorten the recovery period. A decade of economic growth after the Great Recession had created a full employment economy with rising incomes and abundant job opportunities during 2019. During the first quarter of 2020, Memphis was continuing to enjoy an economic boom with industrial, commercial, and residential construction occurring in many areas of the city. The economy was on its way to a strong year with growth expected in nearly every sector.

The data on employment trends shown below clearly indicate that the labor market was strong leading up to the April economic collapse. A strong labor market in Memphis is the fuel that drives the economy. Job and income opportunities go together and enable most of the people of the city to prosper. The structural issues of poverty and underemployment remain even in the best of times. Progress on economic inequality and social distress issues was being made during the decade long economic expansion.

The totally unanticipated COVID-19 attack on the nation and Memphis made the decade long economic expansion disappeared in one month. The shutdown of nonessential businesses had a devastating impact of multiple segments of the local industrial base.

While job losses and declines in the size of the labor force were an important part of the story, the hospitalizations and lives lost to the virus were far more important. As the cases of COVID-19 increased and the stay at home orders were extended week after week, massive cracks appeared in the social and economic foundation of the city. Disaster struck the local economy in a way few expected.

New Tennessee Unemployment Insurance claims rose from 2,702 on March 14 to 116,141 on April 4 and declined to 22,784 on May 30 statewide and the pattern was mirrored locally. Memphis labor force numbers were 646,200 in March and fell to 599,000 in April. At the same time, the number of unemployed people in Memphis rose from 24,900 in March (a number that was consistent with full employment) to 76,200 in April. Unemployment rates in Memphis soared from 3.8 percent in March to 12.7 percent in April. Payroll employment numbers (a count of jobs) fell from 654,200 in March to 588,500 in April—a decline of 65,700 jobs in one month.

While some essential businesses prospered during the economic shutdown, many businesses did not. The strong economic base linked to transportation and logistics provided support for the Memphis economy. Retail establishments providing essential goods and services also supported the local economy. Government and Health related industries have also been sources of local economic strength. However, many other nonessential businesses faced financial ruin even with Federal assistance. Clearly the hospitality and tourism businesses including eating

and drinking establishments, hotels, and tourist attractions incurred devastating economic losses and face a prolonged recovery.

As the federal and local assistance programs dwindle, the ability of businesses to reopen and recover from the COVID-19 recession will remain challenging. Reopening the local economy was an essential first step toward recovery. But, essential capacity restrictions, social distancing, masks, and other COVID-19 related barriers to fully re-opening the economy will continue to prolong the length of the post-pandemic recovery.

The 2020-2021 economic outlook is a story of two economies and two distinctly different periods. Pre-pandemic quarter one of 2020 was strong and seemingly invincible. The dramatic COVID-19 escalation in March and April compounded by the massive economic shutdown that eliminated jobs, increased unemployment to record levels, caused the labor force to shrink, and resulted in unprecedented business closures has set the stage for a long period of recovery. No one knows the shape of the recovery but likely the monthly cycle of improvements and losses will continue for all of 2020. Monthly data will be highly unpredictable and inaccurate predictors of the success of the recovery. Multiple months of positive trends in 2020 and 2021 will occur as the recovery gains strength but not every month's data will end positive.

How fast the record federal stimulus packages can create economic growth will also impact the length of the recovery. The commitment of the Fed to maintaining low interest rates will be an essential factor in the success of the recovery. Memphis will not grow and prosper unless the nation grows and prospers. Signs of a national recovery will precede the economic rebound in Memphis. The economy will bounce back but the economic losses that resulted from COVID-19 were devastating for Memphis.

While some economists expect a complete recovery to take years, initial improvements seen in May should continue as the economy opens for business and restrictions disappear. The second half of 2020 and 2021 will be a rebound period for the local Memphis economy. The strength and sustainability of the recovery will depend on COVID-19 and the availability of a viable vaccine in 2021. Another shutdown of the economy seems highly unlikely in either 2020 or 2021 no matter what happens with COVID-19.

Local Conditions. The data in Table 1 shows the declines in employment in the Memphis MSA that took place from April 2019 to April 2020. Nearly all those losses occurred in March and April of 2020. The Leisure and Hospitality industry was the hardest hit with a 44.0 percent decline. Large sectors like government; trade, transportation and utilities and education and health services were protected from the pandemic. Other sectors were harder hit with declines in professional and business services, manufacturing, and other services between 12 and 15 percent. Overall employment declined 9.9 percent year over year.

Table 1. Memphis MSA April 2020 Employment by Industry and Percent Change over April 2019

	April 2020 Total Employment (000)	Percent Change from April 2019
Total Nonfarm	588.5	-9.9%
Mining & Construction	22.8	-5.0%
Manufacturing	39.1	-13.1%
Trade, Transportation, & Utilities	167.2	-4.6%
Information	5.4	-3.6%
Financial Activities	27.6	-6.8%
Professional & Business Services	83.5	-12.2%
Education & Health Services	97.4	0.2%
Leisure & Hospitality	38.7	-44.0%
Other Services	23.2	-14.7%
Government	83.6	-1.4%

Notes: Data are *not* seasonally adjusted. Data for April 2020 are preliminary.
 Source: U.S. Bureau of Labor Statistics.

The long-term growth trends shown in Chart 1 reflect the post Great Recession period and the slow recovery that occurred in Memphis. The Memphis recovery took most of a decade and the pandemic losses will offset many of the gains for that period. From 2010, employment grew steadily and had increased by 62,300 jobs by the end of 2019. The outlook for 2020-2021 is a return to the growth path of the last ten years but this growth path will begin from a new low.

Chart 1. Memphis MSA Employment (000), 2009-2019

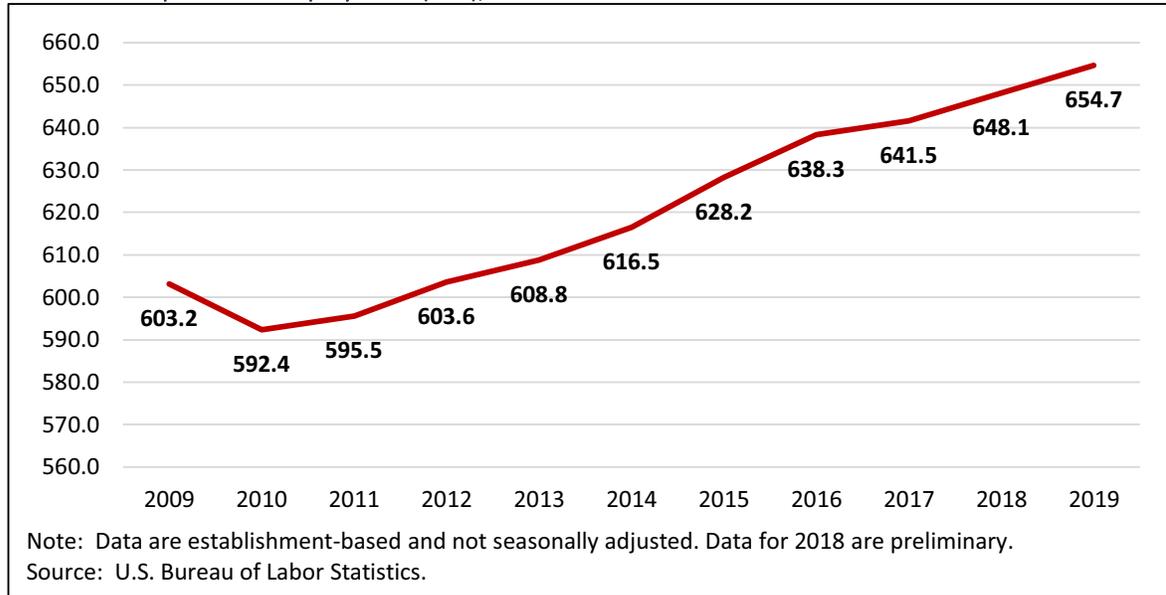
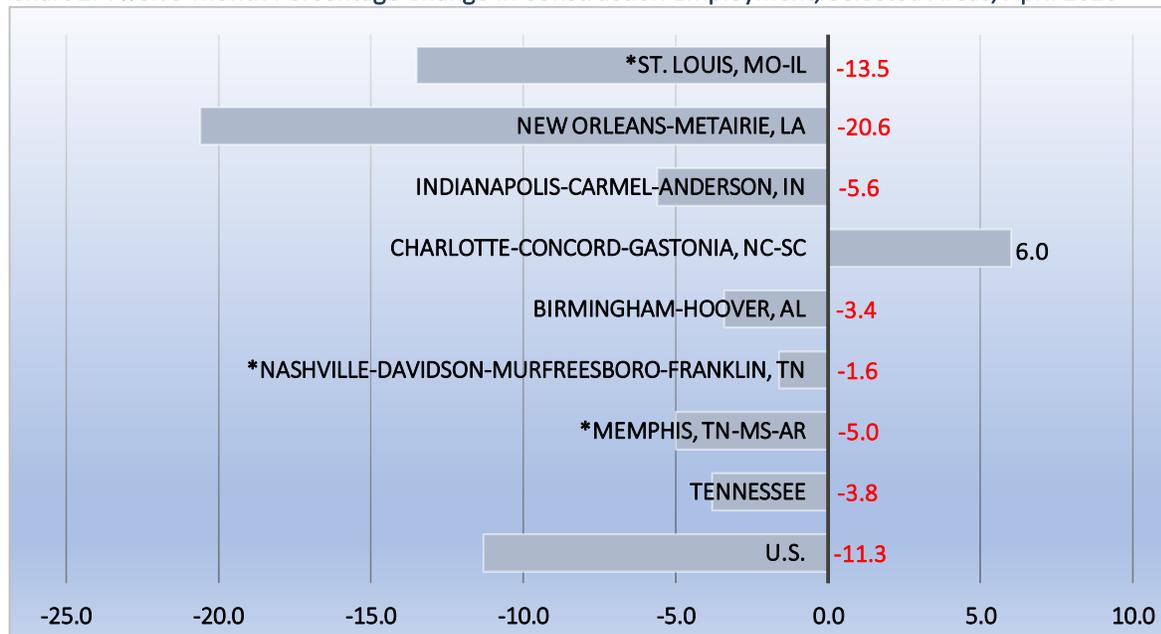


Chart 2 data show employment growth in the construction industry and reflect national economic conditions consistent with the pandemic-induced slowdown. Nationally, there are concerns that housing growth has been hurt by the pandemic and some areas are overbuilt but this is not necessarily true in the Memphis MSA, even though April 2020 employment dropped - 5.0 percent over April 2019. With year-to-date local average home sales prices having risen 10.1 percent through April 2020 (see Maar.org for local home price data) and a quickly recovering economy expected, the incentive is in place for construction to grow even more in 2020-2021. Far from being overbuilt, the Memphis MSA may be underbuilt as there was a very limited supply of new and existing homes for sale as of the end of May 2020.

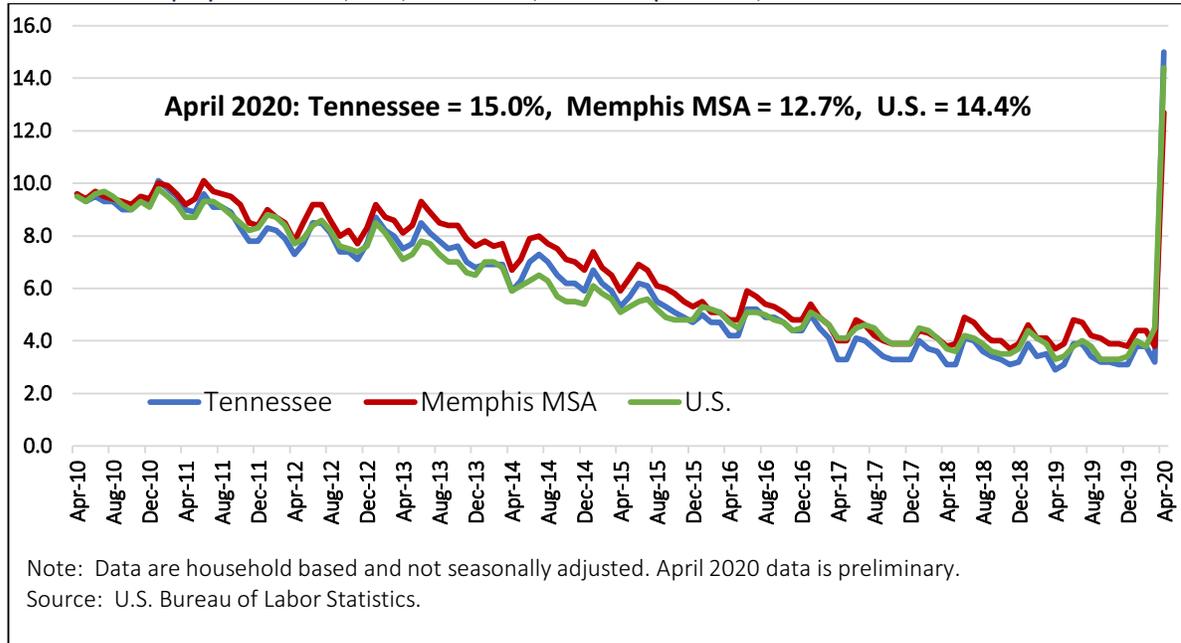
Chart 2. Twelve-Month Percentage Change in Construction Employment, Selected Areas, April 2020



*Mining, logging, and construction are combined by BLS to avoid disclosing private data.
 Source: U.S. Bureau of labor Statistics.

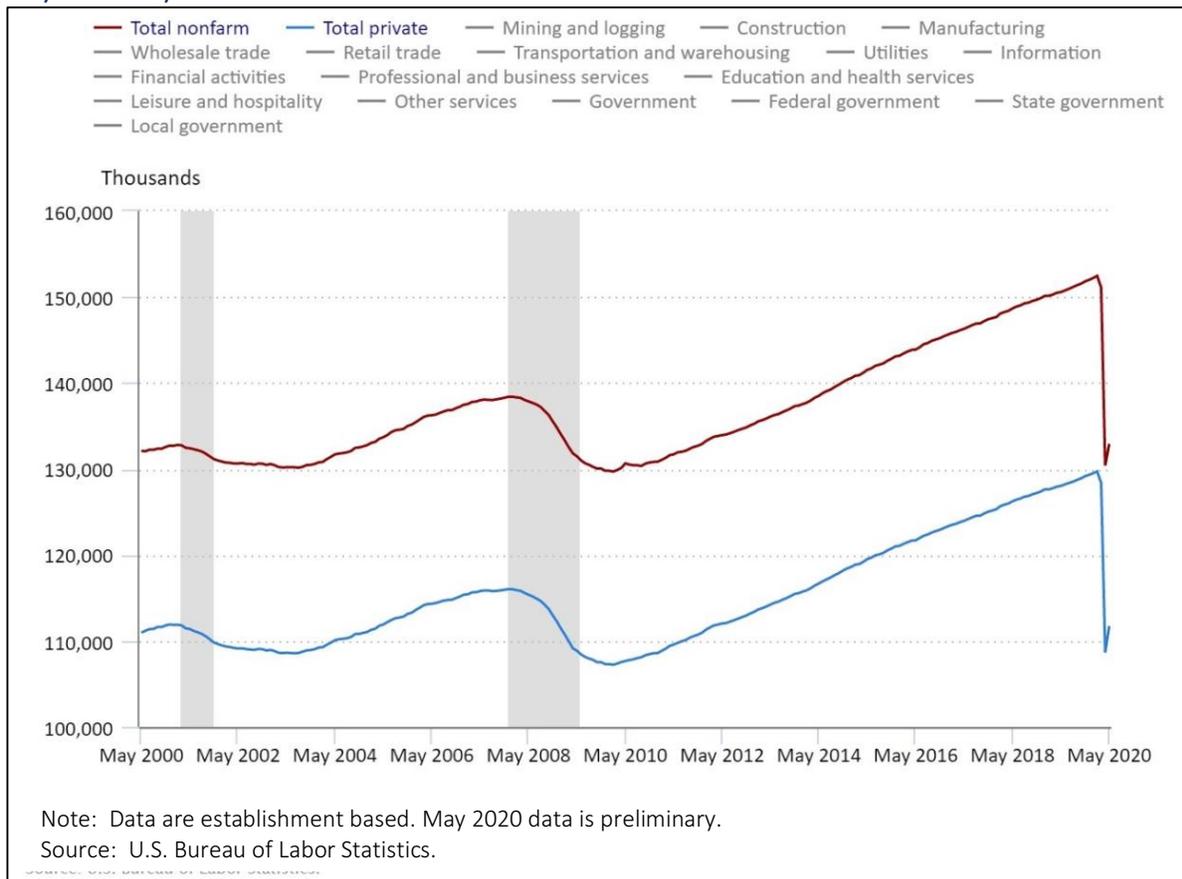
Chart 3 shows the trends for the unemployment rates of the U.S., Tennessee, and Memphis. Locally and nationally, unemployment rates are far greater than those seen during the Great Recession. It will take time to recover from these abnormal times, but as shown in the next chart, there is reason to hope.

Chart 3. Unemployment Rates, U.S., Tennessee, and Memphis MSA, December 2008-December



Finally, Chart 4 shows a sharp decrease in employment for all employees in the private sector in April 2020, nation-wide. This decrease was greater than that experienced during the great recession. Unlike the great recession, this decrease took place in the stretch of a month between late March and early April. The loss of employment in the great recession was much more gradual. But, at the end of the data series in Chart 4 is May 2020 data that shows employment growth of 2.5 million over April 2020. This gives hope that the Pandemic-induced economic downturn will be short-lived.

Chart 4. Total Employment by Industry and Private Sector Employees in the U.S., Seasonally Adjusted, May 2000-May 2020.



The Economic Outlook Source: University of Memphis- Fogelman College of Business and Economics

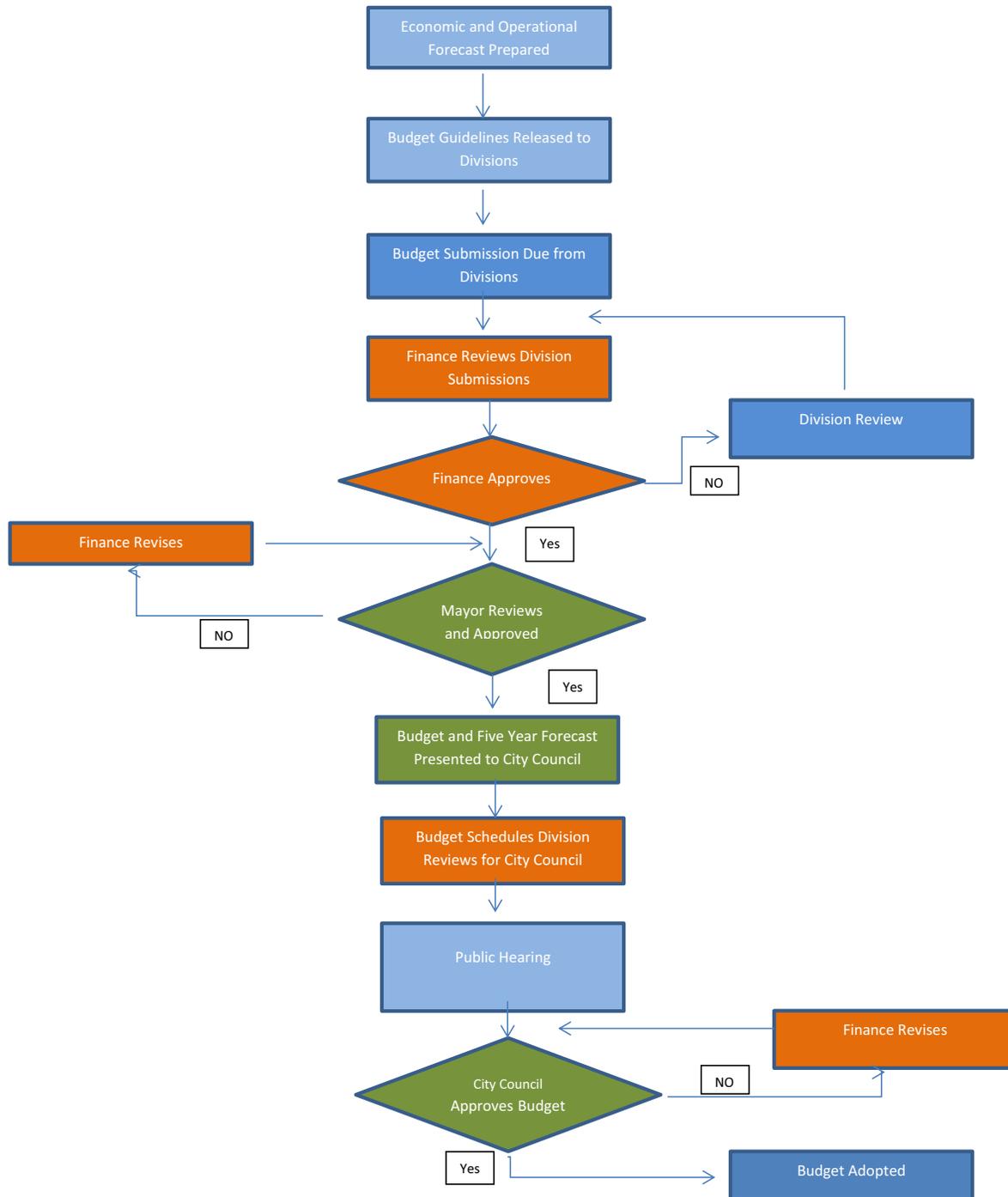
Budget Development Process

The Budget Office (the Office) is responsible for coordinating the budget preparation for all Divisions and Funds of the City. The Office assembles financial data provided by City Divisions to develop the City's budget. After the compilation of all data the Budget Office coordinates the review and approval process of the Operating and Capital Improvement Budgets.

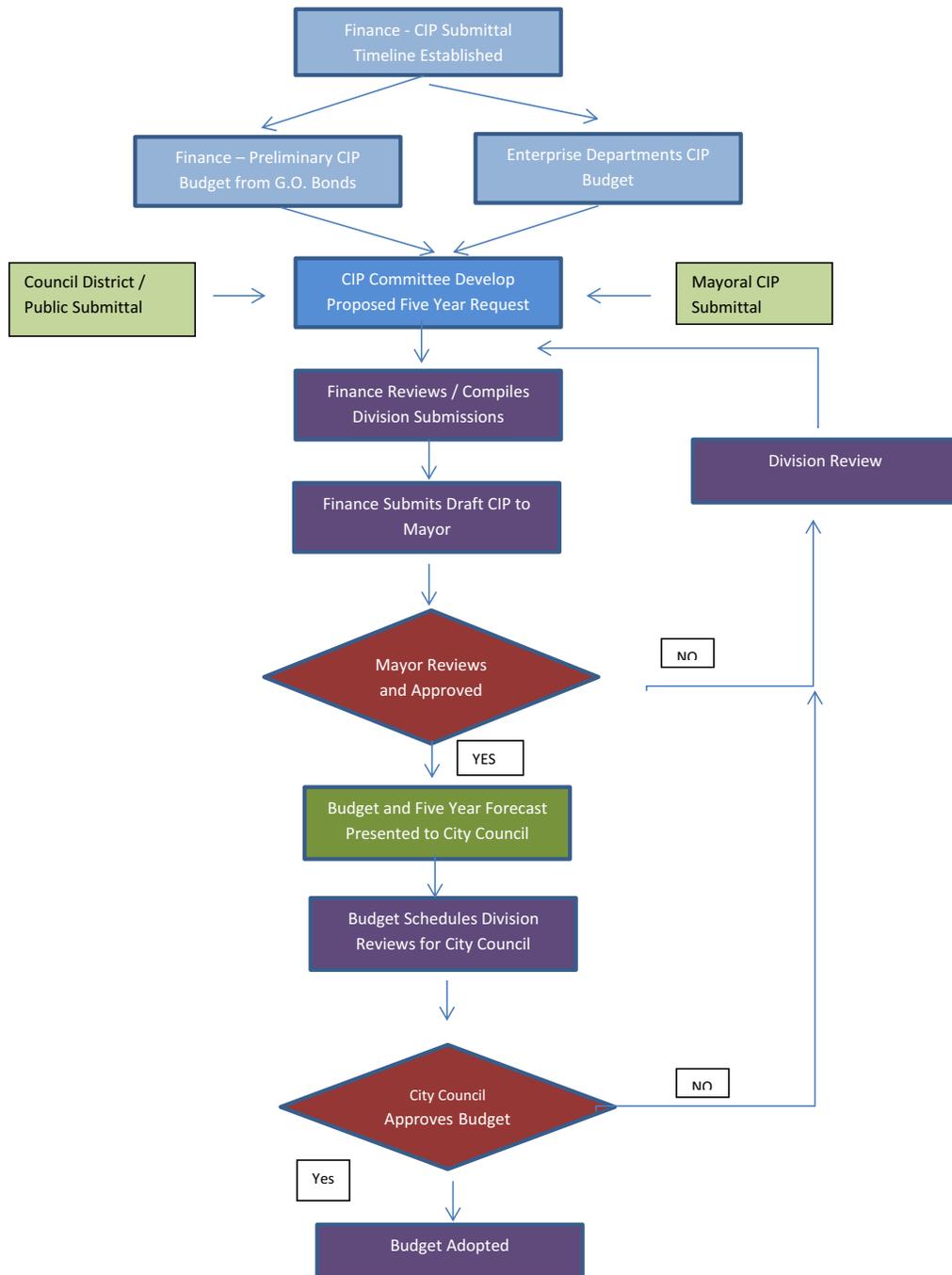
The Operating Budget is approved annually. The planning and development process begins in October for the following fiscal year. When financial preparation begins Divisions are asked to enter their financial data into the budget system over a three-week period. The information is then analyzed and divisions are consulted with respect to noticeable budgetary variances. Administrative reviews are held with each division to further understand their budget requests and align them with the City's priorities. After finalizing any necessary revisions, the Proposed Operating Budget is submitted to the Mayor for final review and approval. The Mayor presents his administration's budget to the City Council (the Council) in April. The Council conducts hearings to review the budget. With Council's revisions and approval, the process is complete. Funding approvals are limited to one fiscal year.

The Capital Improvement Program (CIP) is a five-year plan, which is reviewed and approved annually, for priority, project changes, and additions. This plan identifies projects for current and future funding. The process for Capital Planning also begins in October with an evaluation of current assets (buildings and infrastructure) and an evaluation of new capital needs. Discussions are conducted by an internal CIP committee which is represented by a cross section of Division leaders. CIP projects that make the final list are analyzed by the Finance Office to compare to Capital funding capacity. After Finance Office revisions, the CIP Budget is presented to the Mayor for review and final approval. The Mayor submits the plan to Council. The Council then conducts its own hearings to scrutinize the budget. The process ends in June with Council's approval of the budget. Although the Council approves a five-year plan, spending is allocated for one year.

OPERATING BUDGET PROCESS



CAPITAL PREPARATION PROCESS



FY2021 Budget Calendar

JULY – AUGUST

- Preparation of final documents for the new budget are completed. This includes the Adopted, Operating, and CIP Budget Books.
- Submission of Budget documents to the State Comptroller’s Office.
- Budget planning for the next year’s budget.

SEPTEMBER

- Initial revenue trends and projections for the current year begin.
- Budget training material developed.

OCTOBER

- Current Year 1st Quarter Actuals reviewed and review of revenue trends with external analyst begins.

NOVEMBER

- Finance submits 1st Quarter Operating results of the new budget to the City Council.
- Divisions submit CIP needs to the CIP Committee.
- Overview of the next year’s budget priorities given to Division Chiefs and Directors.

DECEMBER, JANUARY

- Revenue projections updated for current year and next year.
- Budget meeting with divisions for 2nd Quarter forecast and next year’s budget request.
- Operating Budget training and initiation dates provided to Divisions.
- CIP Budget training and initiation dates provided to Divisions.

FEBRUARY, MARCH

- Operating Budget/CIP Administrative hearings with Divisions.
- Operating Budget/CIP review with Mayor, and COO.
- Final recommendations made and budget documents prepared.

APRIL

- The Mayor presents the Proposed Operating Budget and CIP Budget request to the City Council on the third Tuesday in April.
- Ordinances and Resolutions covering the Proposed Budget are presented to Council.
- Notifications of the Proposed Budget is published in the local newspaper.
- Current year 3rd Quarter Actuals reviewed and a final full year forecast prepared for the current year.

MAY

- Budget hearings with the City Council Operating Budget and CIP Committee to review the Proposed Budget.

JUNE

- Final Adopted Budgets are approved by the City Council.
- Ordinances and resolutions associated with the Operating and CIP Budgets are finalized.

Budgeting And Appropriations Revision Process

The financial plans of the City are included in the annual operating and capital budgets. These budgets project all receipts and disbursements, and frames the level of governmental services that can be provided at the approved funding levels.

Operating Budget

The Administration is responsible for proposing programs and recommending funding levels to the Council and for implementing service programs in accordance with established goals and objectives. The City Council has final responsibility for approving the annual Operating Budget and the Capital Improvement Program, and setting the tax rate and fees for services.

Each Division provides services through smaller units known as “program levels.” The adopted budget ordinance appropriates spending and provides for budgetary control at program levels. Program budgets cannot be exceeded without the approval of the City Council. Strict budgetary compliance is maintained by an automated accounting system to assure effective fiscal management and accountability. All requests for purchases or payments are checked by the budgetary control system to assure that funds are available. Purchase Orders and contracts are encumbered prior to their release to vendors. Those Purchase Orders and contracts that exceed appropriated amounts cannot be executed until additional appropriations are made available, either by transfer of existing appropriations or by a resolution granting additional appropriations by Council. The system controls are maintained at the program levels and are basically set up within Personnel, Operations and Maintenance and Capital categories.

Changes to the Operating Budget

The Operating budget is a guideline or plan of operation for each division. However, budget changes may be necessary during the fiscal year (for example, new grant monies can be made available or changes in a service center’s personnel can disrupt an otherwise successful budget). When unforeseen circumstances arise, changes can be made to the budget two ways:

Intra-Category Line Item Transfer (Black Line) or Inter-Category Line Item Transfer (Red Line).

INTRA-CATEGORY LINE ITEMS TRANSFERS

Intra-category line item transfers, called administrative transfers, are used to transfer budgeted funds within the same category. Administrative transfers are necessary when transferring small amounts of funds within a legal level (program), such as moving \$1,000 from document reproduction to City Hall printing within a service center. The Request for Transfer of Budget Appropriation Intra-Category Line item Transfer must be completed in full including a justification of the transfer. The explanation should address why surplus funds are available and why funds are needed. This form must be signed by the Division Director and forwarded to the Budget Office for approval.

INTER-CATEGORY LINE ITEM TRANSFERS

Inter-category line item transfers are used to transfer funds from one legal level (program) to another or between categories. Inter-Category transfers are used to transfer budgeted funds from one expenditure to another as long as the transfer is within the same legal level (program) and does not exceed \$50,000 between categories or a cumulative total of \$100,000 for the year. For the personnel category only one \$50,000 inter-category transfer can be made.

Inter-category transfers exceeding the cumulative amount of \$100,000 or transfers between Divisions must be approved by the City Council. The council transfer form is very similar to the administrative form. Since the changes require approval of the City Council, each transfer must be accompanied by a resolution and a Council Agenda Check-Off Sheet.

Capital Improvement Budget

The Capital budget and Capital Improvement Program (CIP) are prepared annually to present the capital expenditures planned for each of the next five fiscal years. The total costs of each project and the sources of funding (local, state, federal and private)

required to finance each project are estimated. The Capital Improvement Program is prepared after a rigorous review and evaluation of all proposed projects by the Capital Review Committee. Building Design and Construction reviews the scope of all requests involving construction or major renovations to City owned structures. Debt Management studies the fiscal feasibility of the projects submitted for future funding needs. The single year Capital Improvement Plan allocates the capital expenditures to be made in the current budget year. The Capital Budget must be in full conformity with that part of the Capital Improvement Program applicable to the fiscal year which it covers.

Additional authorizations (appropriations) for each capital project in the Capital Budget must precede the expenditures of construction funds.

Changes to the CIP Budget - Transferring Allocations & Appropriations

Once the CIP has been adopted by the City Council, the data is loaded into the City’s Accounting System. During the life of the project, it may be necessary to provide additional allocations or transfer funds to aid in the completion of the project. Two methods are used to transfer or establish allocation and/or appropriations.

- 1 The Capital Improvement Budget Request for Administrative Transfer or Appropriation form (Black Line) is used to:
 - A Record the initial appropriation of the planning lines (A/E, land development, land acquisition) upon the adoption of the CIP by the City Council.
 - B Transfer allocations and appropriations within planning lines or within construction lines (contract construction, latent conditions, and other costs).
 - C Transfer allocations from “cover-line” project planning lines to the new project planning lines and the appropriation of the lines.

- 2 The Capital Improvement Budget Request for Council Transfer and Appropriation form (Red Lines) is used to:
 - A Appropriate all construction lines.
 - B Transfer allocations and appropriations between projects.
 - C Increase/decrease allocations or appropriations of a project.

Changes to the operating budget (exceeding the prescribed administrative levels), or the CIP budget must be done through resolutions.

Budget Resolution Review Process — Operating & CIP

Resolutions

A resolution is a document asking the City Council to amend the Appropriation Budget Ordinance or Capital Improvement Budget. A resolution is written in two sections: the “WHEREAS” section and the “RESOLVED” section. The WHEREAS section explains why the change is necessary, what the money will be spent for, and why funds are available and where the funds will come from. The RESOLVED section includes the statements that actually change the Budget Ordinance.

A resolution details the action requested by Council and should answer one or more of the following questions:

- What is the purpose of the change?
- Why is the change necessary?
- What will the funds be used for?
- Why are funds available?

A resolution shall be written in clause format. Each clause in the preamble shall begin with the word “WHEREAS”, include a brief statement answering one or more of the above questions, and continue with “AND,” an adopting clause. “NOW THEREFORE BE IT RESOLVED”, shall summarize all information as requested regarding changes to the City Resolution. The adopting clause may be followed by several additional clauses.

After finalizing a Resolution, a Council Agenda Check-Off sheet must be prepared which summarizes the Resolution and includes all organizational data, account numbers, and dollar amounts.

Council Agenda Check-off Sheet

The Council Agenda Check-Off Sheet must accompany all documentation that goes before Council. The originating division/service center must complete the form and have it signed by the appropriate service center manager and division director.

Routing and Handling of Transfers

- 1 Administrative Transfers and Appropriations
 - Division Directors
 - Budget Office
 - Comptroller’s Office
- 2 Council Transfers and Appropriations

The budget resolution package (Council Agenda Check-Off Sheet, original resolution, red line forms-including appropriate signatures from the division director) should be forwarded to the Budget Office one week before the Council Committee meets. From there the documents will be forwarded as follows:

- 1 Chief Financial Officer (CFO).
- 2 Chief Legal Officer (CLO).
- 3 Chief Operating Officer (COO).
- 4 Mayor’s Office – Resolutions appropriating or transferring CIP funds must be received by the Mayor’s Office by noon on Thursday for Council Committee action on the following Tuesday.
- 5 Council Committee reviews monetary transfers and makes recommendations to the full Council.
- 6 The Mayor’s Office forwards the resolution to Council Records after the Council Committee recommendation (s) are made. The resolutions are then placed on the Council Agenda for consideration by the full Council on the following Tuesday.

Council’s approval of the resolution gives the legal authority to amend the fiscal year’s budget.

Resolutions may be returned to the originating division/bureau for corrections at any time during the process.

The need for accuracy in the completion of all appropriate forms and recognition of time constraints is crucial in processing transfers. The Budget Office may be contacted for further assistance and/or information.

Fiscal Policy

Policies for Fiscal Control

- **Basis of Budgeting.** The City budget is in accordance with the Municipal Budget Law of the State of Tennessee. This law requires a cash basis budget and the budget must be balanced. The budget for the respective funds in this document are presented on a cash basis.
- **Balanced Budget.** It is the fiscal policy of the City to adopt a balanced budget. For State law a balanced budget requires that the beginning Unassigned Fund Balances plus estimated revenues must be greater than or equal to appropriations. If necessary, budgets can be balanced with revenues from the fund balance; however, the fund balance shall remain positive and the use of fund balance for future budgets shall not be recurring.
- **Financial Management.** The City will manage and account for its Operating and Capital Budgets in accordance with principles and standards set forth by the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP).
- **Accounting Method.** The City will maintain its accounting records for general governmental operations on a modified accrual basis, with revenues recorded when available and measurable and expenditures recorded when services or goods are received and the liabilities incurred. The City's actual expenditures, compared to budget, are on a "modified accrual plus encumbrances" basis, which treats encumbrances as actual expenditures at the time the funds are encumbered. Accounting records for proprietary fund types and similar trust funds are maintained on the accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt of payment of cash. For governmental-type funds, revenues and expenditures are also monitored internally on a "budgetary" basis to ensure compliance with legal limitations.
- **Internal Accounting Controls.** The City will develop and manage its accounting system to provide reasonable assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of

financial records for preparing financial statements and maintaining accountability for assets. "Reasonable assurance" recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

- **Audits.** The City will ensure the conduct of timely, effective, and periodic audit coverage of all financial records and actions of the City, its officials, and employees in compliance with local, State, and Federal law.
- **Fund Balance.** The City strives to maintain a General Fund balance of 10% of expenditures as a standing fiscal policy.

Policies for Revenue and Program Funding

- **Revenue Projections.** The City will estimate revenues in a conservative manner in order to minimize the adverse impact of a revenue shortfall.
- **Property Tax Rates.** The City will maintain stable tax rates that avoid wide annual fluctuations as economic and fiscal conditions change.
- **Intergovernmental Revenue.** The City will aggressively seek a fair share of available State and Federal financial support unless conditions attached to that assistance are contrary to the City's interest.
- **Cash Management.** The City will maintain sophisticated and aggressive cash management and investment programs in order to achieve maximum financial return on available funds. Cash will be pooled and invested on daily basis at best obtainable rates; investments will be generally limited to federal debt instruments, fully collateralized repurchase agreements, or highest quality bankers' acceptances and commercial paper.

Policies for Expenditures and Allocation of Costs

- **Contents of Budgets.** The City will include in the Operating Budget all programs and facilities not

specifically eligible for inclusion in the Capital Improvement Program.

- **Expenditure Growth.** The City will budget expenditures for necessary and essential public purposes only, holding expenditure growth to levels consistent with realistic prospects for the community's ability to pay, both in the upcoming fiscal year and in the ensuing years as well.
- **Allocation of Costs.** The City will balance the financial burden of programs and facilities as fairly as possible between the general taxpayers and those who benefit directly, recognizing the common good that flows from many public expenditures, the inability of some citizens to pay the full costs of certain benefits, and the difficulty of measuring the relationship between public costs and public or private benefits in some services.
- **Expenditure Reduction.** The City will seek expenditure reductions whenever possible through efficiencies and through the reduction or elimination of programs, policies, and practices which have outlived their usefulness.
- **Public Investment in Infrastructure.** The City will, within available funds, plan and budget for those facilities and infrastructure necessary for a healthy economy and for support of public programs determined to be necessary for the quality of life desired by its citizens.
- **Procurement.** The City will make purchases, directly or indirectly, through a competitive process except when an alternative method of procurement is specifically authorized by law.

Policies for Debt Management

- **Debt Management.** The City will minimize debt service costs through the judicious use of available debt instruments, consistent with the desirability of maintaining stable current tax rates and distributing the costs of certain long-lived facilities among all users, present and future.
- **Debt Incurrence.** The City will limit the amount of new general obligation debt it will plan for and issue in any six-year period to that which can be supported by the community under conservative fiscal and economic projections and to that

which will maximize the likelihood of sustaining the City's "AA" credit rating

Policies for Governmental Management

- **Productivity.** The City will measure and seek to increase the productivity of City Programs in terms of quantity and quality of services relative to resources expended, through program evaluation, employee training and incentives, and other strategies.
- **Risk Management.** The City will control its exposure to financial loss through a combination of commercial and self-insurance; will self-insure against all but highest cost risks; and will aggressively control its future shares among agencies through loss history.
- **Employee Compensation.** The City will seek to provide equitable pay among comparable jobs and City agencies and between employees in collective bargaining units and those outside of such units, and will seek to contain the growth of compensation costs through organizational efficiencies and productivity within the workforce.
- **Pension Funds.** The City will, through judicious management and diversified investment, assure the security of the assets of the Employees Retirement System toward its solvency and regular benefits for future as well as present retirees and will continue to evaluate the accrued liability and adjust the funding rate when necessary.
- **Surplus Property.** The City will maximize the residual value of land parcels or buildings declared excess to current public needs through efforts at public reuse, lease to appropriate private organizations, or sale toward returning them to the tax base of the City. Deposition of goods that have become obsolete, unusable, or surplus to the needs of the City will be made through bid, auction or other lawful method to the purchaser offering the highest price except under circumstances as specified by law.
- **Resource Management.** The City will seek continued improvement in its budgetary and financial management capacity in order to achieve the best possible decisions on resource allocation and the most effective use of budgeted resources.

Governmental Accounting

Overview

Government accounting has many similarities to commercial accounting. For example, governmental accounting uses the double-entry system, journals, ledgers, trial balances, financial statements, internal control, etc. Differences arise due to the objectives and environment of government. The major differences include:

- 1) The absence of a profit motive, except for governmental enterprises, such as utilities
- 2) A legal emphasis which involves restrictions both in raising and spending revenues
- 3) An emphasis of accountability or stewardship of resources entrusted to public officials
- 4) The recording of the budget in some funds
- 5) The use of modified accrual accounting in some funds.

Fund Accounting

There are three principles that deal specifically with fund accounting. These principles cover 1) Definition of a fund 2) Types of funds 3) Number of funds.

A fund is defined by the Governmental Accounting Standards Board as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities and balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The City of Memphis reports the following funds that are classified into three general types.

Governmental Funds		Proprietary Funds		Fiduciary Funds	
1	General	5	Enterprise	7	Pension Trust
2	Special Revenue	6	Internal Services	8	OPEB
3	Debt Service				
4	Capital Projects				

The City does not currently utilize Permanent or Private-purpose Trust Funds.

In the governmental funds, the objective is to provide services to the public. All of these funds are expendable, i.e., they are not concerned with preserving capital or measuring “net income.” Governmental funds are concerned with the availability of resources to provide services, and the emphasis is on working capital flows. Usually, only current assets and current liabilities are accounted for in the governmental funds. Fixed assets and long-term liabilities of governmental funds are reported only in the government-wide financial statements. The proprietary funds use accounting and reporting techniques similar to a private enterprise. The fiduciary funds are accounted for like proprietary funds.

Budgets and Their Impact upon the Accounting System

The GASB, in one of its basic principles, states 1) An annual budget(s) should be adopted for every government unit 2) The accounting system should provide the basis for appropriate budgetary control 3) A common terminology and classification should be used consistently throughout the budget, the accounts, and the financial reports of each fund.

Generally Accepted Accounting Principles (GAAP) requires a budgetary comparison for the general fund and for each major individual special revenue fund for which an annual (or biennial) budget is legally adopted. The City Council annually approves a budget ordinance that includes the City of Memphis General, Special Revenue, Debt Service and Enterprise Funds. Internal Service Funds are also included in the Adopted Budget. These budgetary accounts are incorporated into the governmental

accounting system to provide legislative control over revenues and other resource inflows and expenditures and other resource outflows.

In order to prevent the overspending of an item in the appropriations budget, an additional budgetary account is maintained during the year. The account is called "Encumbrances." When goods or services are ordered, appropriations are encumbered. The "Encumbrances" account does not represent expenditure; it is a budgetary account which represents the estimated cost of goods or services which have yet to be received. In effect, the recording of encumbrances represents the recording of executory contracts, which is essential to prevent overspending of an appropriation. Encumbrances of governmental funds outstanding at year end can be re-appropriated as deemed appropriate by the Comptroller during the subsequent fiscal year.

Financial Statements for State and Local Governments

The City of Memphis prepares a Comprehensive Annual Financial Report (CAFR) that includes Basic Financial Statements, Required Supplementary Information, Combining and Individual Fund Statements and Schedules, Supplementary Schedules, Single Audit, Statistical Section and the Management Discussion and Analysis (MD&A) as prescribed by GASB.

Accrual basis accounting is recognition of revenues in the accounting period the revenues are earned and recognition of expenses in the accounting period the expenses are incurred. In addition, revenues and expenses have to be measurable in order to be reported. The following funds use full accrual accounting:

Proprietary Funds	Fiduciary Funds
Enterprise	Pension Trust Funds
Internal Service	OPEB

All of the funds that use accrual accounting (except the Trust Funds) are non-expendable, i.e., an objective of each of the funds is to maintain capital.

The *modified accrual basis* of accounting on the other hand, recognizes: **1)** Revenues in the account-

ing period in which they are both measurable and available to finance expenditures made during the current fiscal period **2)** Expenditures in the accounting period in which the liabilities are both measured and incurred.

The modified accrual basis is used in the following funds:

Governmental Funds

- General
- Special Revenue
- Debt Service
- Capital Projects

All of the funds which use the modified accrual basis are expendable and do not, therefore, have a capital maintenance objective.

The **General Fund** is the most significant Government Fund. It accounts for all transactions not accounted for in any other fund. Revenues come from many sources and the expenditures cover major functions of government.

Special Revenue Funds account for earmarked revenue as opposed to many revenue sources which are accounted for in the General Fund. The earmarked revenue is then used to finance various authorized expenditures. Many federal and state grants are reported in Special Revenue Funds.

The Debt Service Fund handles the repayment of general obligation long-term debt and interest. This type of debt is secured by the good faith and taxing power of the governmental unit. Repayment of enterprise and internal service long-term debt is accounted for in these individual funds. Consequently, the type of debt for which the Debt Service Fund is established usually is the result of issuing general obligation bonds for capital projects.

Capital Projects Funds account for the acquisition and use of resources for the construction or purchase of major, long-lived fixed assets, except for those which are financed by Enterprise, Internal Service, and Non-expendable Trust Funds. Resources for construction or purchase normally come from the issuance of general long-term debt and from governmental grants.

Enterprise Funds account for activities by which the government provides goods and services which are (1) rendered primarily to the general public, (2) financed substantially or entirely through user charges, and (3) intended to be self-supporting. They are usually established for public utilities, and transit systems, etc.

Internal Service Funds are established to account for the provision of goods and services by one department of the government to other departments within the government on generally a cost reimbursement basis. Uses of Internal Service Fund services are budgeted through the budgets of the user departments.

Trust Funds are used to account for monies held for others, generally being used when assets are held for substantial periods of time. Trust Funds do not generally record their budgets formally.

Fund Balance

Fund Balance (the difference between assets and liabilities in the governmental fund financial statements) is among the most widely and frequently used information in state and local government financial reports.

The GFOA recommends an unreserved Fund Balance of 8 to 17 percent (i.e. one to two months) of regular general fund operating expenditures. The City of Memphis strives to maintain a General Fund balance of 10% of expenditures as a standing fiscal policy.

The City uses the classifications that have been developed by the Governmental Accounting Standards Board (GASB) and described in GASB Statement No. 54. Statement 54 is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types.

The GASB developed Statement 54 to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting across governments. To reduce confusion, Statement 54 establish a hierarchy of fund balance classifications based primarily on the extent to which government is bound to observe spending constraints imposed upon how resources in governmental funds may be used.

Statement 54 distinguishes fund balance between amounts that are considered completely "nonspendable" such as fund balance associated with inventories, and other "spendable" amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts are reported in the following classifications.

- **Nonspendable**- amounts that cannot be spent because they are either (a) not spendable form or (b) legally or contractually required to remain intact.
- **Restricted**-amounts constrained by external parties, constitutional provision, or enabling legislation. Effectively, restrictions may only be changed or lifted with the consent of the resource provider.
- **Committed**- amounts formally constrained by a government using its highest level of decision-making authority (i.e. City Council). The commitment of these funds can only be changed by the government taking the same formal action that imposed the constraint originally.
- **Assigned**- amounts a government intends to use for a particular purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority (Finance Director).
- **Unassigned**- residual amounts that are otherwise not constrained at all will be reported in the general fund. These are technically available for any purpose.



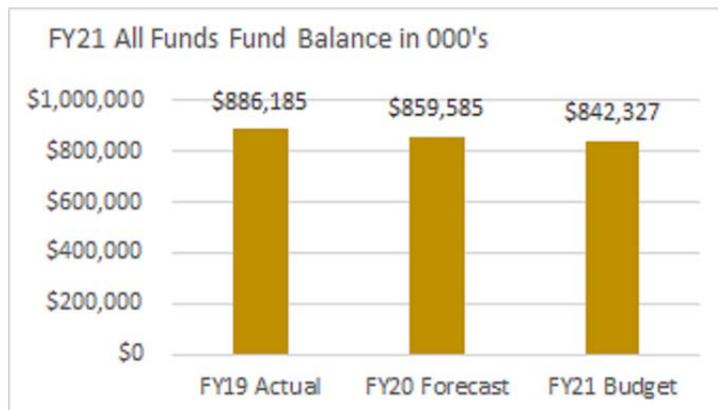
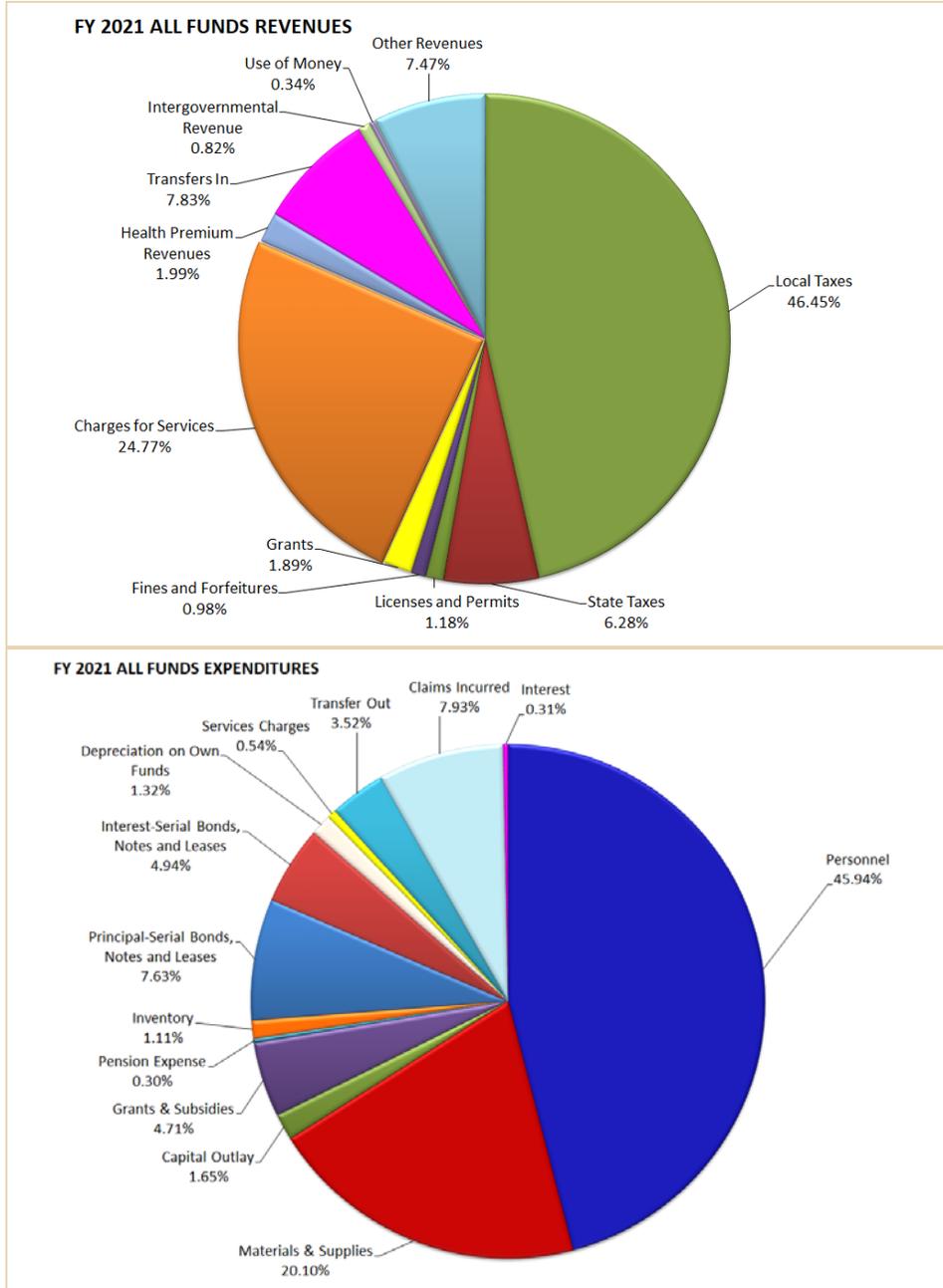
FINANCIAL SUMMARY

FINANCIAL SUMMARY

The financial data presented in this section presents the revenue and expenditure summaries of all City of Memphis funds. These funds represent all appropriated funds, major and non-major, in addition to the General Fund. The forecasted and budget fund balances for each fund and for the collective funds are also shown in this section.

Budget Summary of All Funds

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Forecast	FY 2021 Adopted
REVENUES				
Local Taxes	621,303,665	627,183,939	631,909,024	617,473,510
State Taxes	102,385,952	103,817,903	107,066,135	83,438,600
Employer Contributions	-	-	-	-
Licenses and Permits	15,827,288	15,770,500	15,978,588	15,686,550
Fines and Forfeitures	17,932,229	18,533,915	13,354,930	13,039,000
Proceeds for Loan	-	-	7,802,447	-
Grants	25,353,924	11,120,114	24,062,211	25,068,708
Charges for Services	274,881,080	293,121,898	297,605,309	329,229,507
Health Premium Revenues	18,556,819	19,584,200	18,406,380	26,466,400
Transfers In	113,139,141	99,993,129	110,527,260	104,039,278
Capital Contributions	2,048,272	-	1,333,462	-
Intergovernmental Revenue	9,965,562	10,760,231	10,760,000	10,965,973
Issuance of Refunding Debt	-	-	242,517,953	-
Proceeds from Bond Issue	34,556	-	-	-
Interest on Investments	2,351,448	-	2,104,703	-
Gain (Loss) on Sale of Assets	1,503,342	-	1,419,617	-
Gain (Loss) on Investments	(806,408)	-	(6,410,082)	-
Use of Money	10,609,675	5,626,541	8,067,614	4,538,306
Other Revenues	92,846,507	90,201,698	90,573,188	99,328,221
Total Revenues	\$ 1,307,933,052	\$ 1,295,714,068	\$ 1,577,078,739	\$ 1,329,274,053
EXPENDITURES				
Personnel	573,650,490	595,045,255	605,814,236	618,936,480
Materials & Supplies	239,155,916	263,875,935	270,345,990	270,877,026
Capital Outlay	10,556,118	16,887,571	21,284,253	22,288,585
Land Acquisition	4,100	-	-	-
Grants & Subsidies	93,576,015	79,005,944	98,355,630	63,482,506
Inventory	14,682,786	13,683,298	13,855,134	14,995,535
Bond Issue Costs	585,382	40,000	1,909,552	40,000
Project Cost	3,840	-	1,410	-
Principal-Serial Bonds, Notes and Leases	102,944,265	104,961,041	104,887,117	102,681,234
Interest-Serial Bonds, Notes and Leases	69,318,898	67,651,724	66,321,084	66,571,867
Retirement of Refunded Debt	-	-	241,112,526	-
Depreciation on own funds	15,743,204	17,763,240	20,768,417	17,763,240
Expense Recovery	(18,195,845)	(16,035,300)	(16,035,300)	(16,035,300)
Pension Benefits	-	-	-	-
Services Charges	29,905,630	22,203,526	23,796,723	23,326,059
Investmet Fees	17,249	-	279,860	4,900
Federal Tax	15,110	35,000	35,000	38,000
Pension Expense	4,877,477	-	4,000,000	4,000,000
Miscellaneous Expense	2,466,946	-	4,256,108	-
Transfer Out	55,581,762	36,771,683	54,406,263	47,436,832
Claims Incurred	82,949,823	89,675,000	83,213,522	106,803,000
Interest	5,098,312	4,121,000	5,756,619	4,121,000
Total Expenditures	\$ 1,282,937,478	\$ 1,295,684,917	\$ 1,604,364,144	\$ 1,347,330,964
NET EXPENDITURES	24,995,574	29,151	(27,285,405)	(18,056,911)



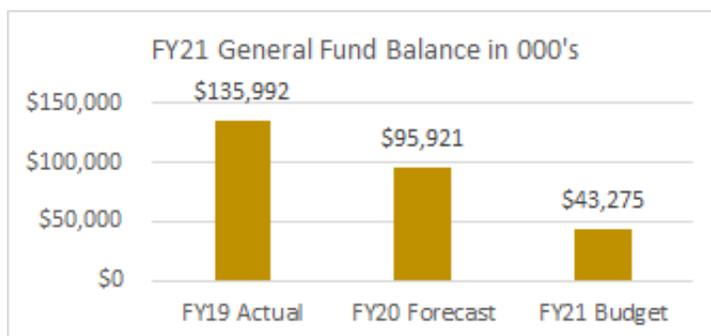
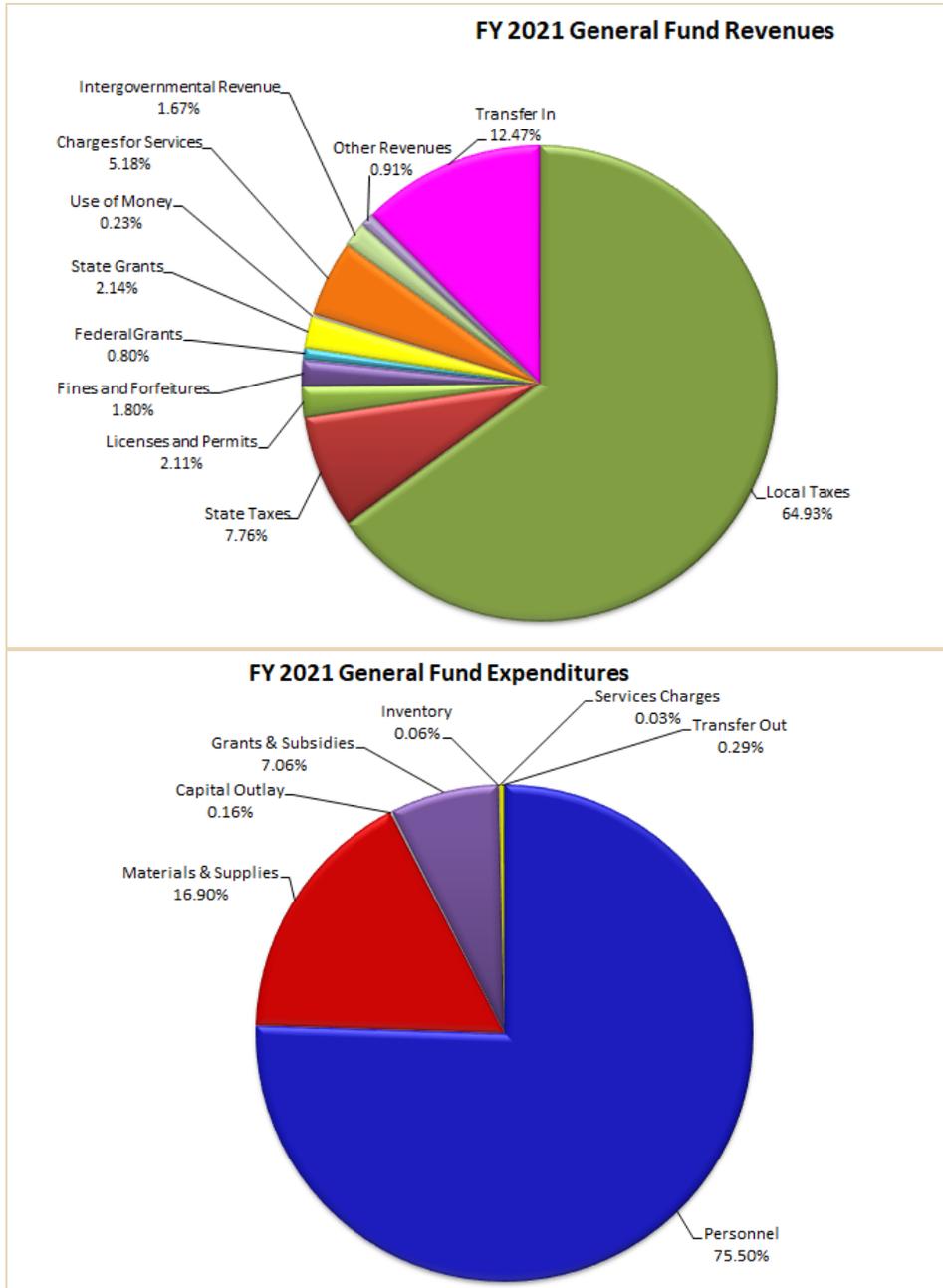
General Fund Summary

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Forecast	FY 2021 Adopted
REVENUES				
Local Taxes	457,569,968	465,525,069	456,306,567	425,471,058
State Taxes	63,329,249	66,314,303	66,523,024	50,835,000
Licenses and Permits	13,674,186	13,879,500	13,858,348	13,795,550
Fines and Forfeitures	14,823,894	16,290,400	11,663,579	11,763,000
Charges for Services	36,063,592	37,670,568	34,476,312	33,950,400
Use of Money and Property	4,594,900	3,320,000	3,357,964	1,505,000
Federal Grants	17,278,822	5,031,114	16,947,578	5,250,000
State Grants	1,260,983	0	0	14,000,000
Intergovernmental Revenues	9,965,562	10,760,231	10,760,000	10,965,973
Other Revenues	17,831,810	8,382,633	8,965,063	5,976,376
Transfers In	80,815,368	83,214,576	88,083,643	81,738,000
Proceeds from Loan	0	0	302,447	0
Total Revenues	\$ 717,208,333	\$ 710,388,392	\$ 711,244,522	\$ 655,250,357
EXPENDITURES				
Personnel Services	\$ 501,745,536	\$ 514,700,320	\$ 525,215,904	\$ 535,093,600
Materials and Supplies	134,908,128	142,093,424	151,421,344	135,785,136
Capital Outlay	1,398,719	1,123,400	1,863,924	1,111,414
Grants and Subsidies	78,231,344	67,785,544	80,814,368	50,001,396
Inventory	381,903	379,591	364,971	453,599
Expense Recovery	(18,195,846)	(16,035,300)	(16,035,300)	(16,035,300)
Investment Fees	0	0	267,628	0
Project Costs	3,840	0	1,410	0
Service Charges	213,926	171,372	212,469	198,200
Transfers Out	23,287,194	1,339,783	7,869,783	2,086,484
Depreciation on Own Funds	100	0	0	0
Misc Expense	1,655,406	0	4,661	0
Total Expenditures	\$ 723,630,272	\$ 711,558,144	\$ 752,001,136	\$ 708,694,526
NET EXPENDITURES	\$ (6,421,952)	\$ (1,169,734)	\$ (40,756,624)	\$ (53,444,168)

Fund balance beginning of year	\$ 141,201,402	\$ 135,991,704	\$ 135,991,704	\$ 95,921,126
Fund balance end of year	\$ 135,991,704	\$ 135,109,946	\$ 95,921,126	\$ 43,275,118

* Total Revenues do not reflect contribution from Fund Balance.

** Total Expenditures do not include contribution to Fund Balance.



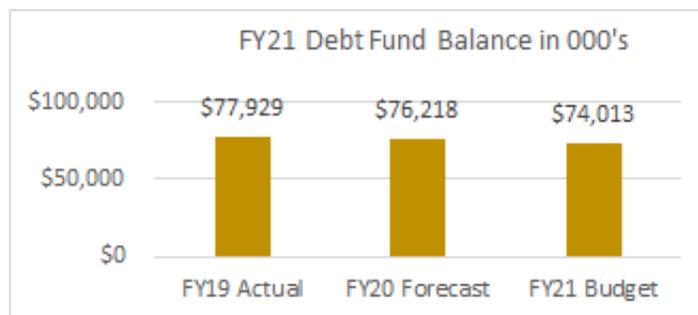
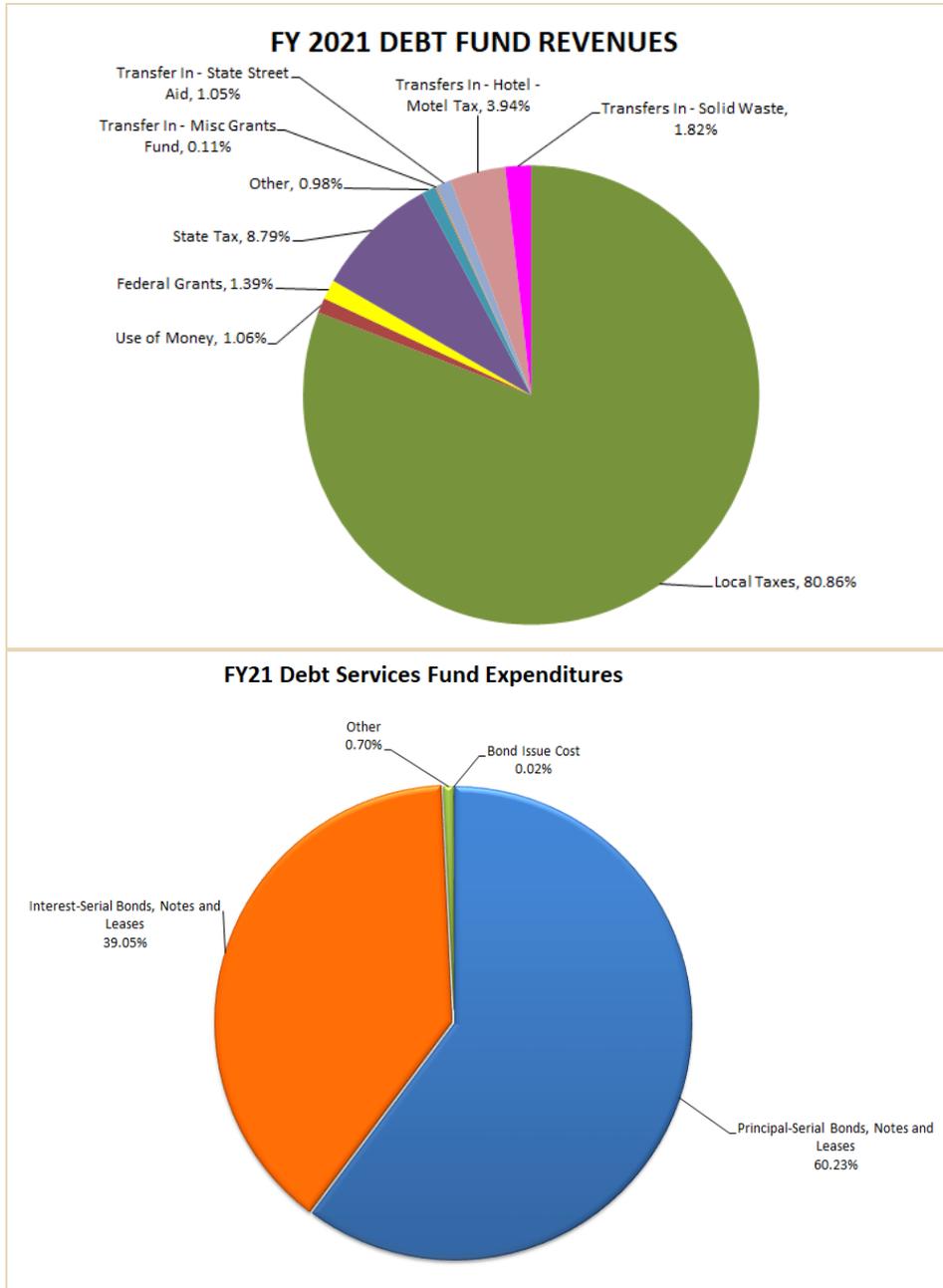
Debt Fund Summary

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Forecast	FY 2021 Adopted
REVENUES				
Local Taxes	140,772,833	140,114,909	137,504,955	136,077,197
State Taxes	16,292,557	15,300,000	16,789,512	14,800,000
Use of Money and Property	2,801,886	920,000	2,462,001	1,776,300
Federal Grants	2,449,557	2,288,150	2,305,314	2,321,358
Other Revenues	2,128,731	1,861,235	2,017,882	1,652,027
Transfers In	13,122,560	15,438,771	14,249,771	11,651,940
Proceeds from Refunded Debt	0	0	242,517,953	0
Proceeds from Bond Issue	34,556	0	0	0
Total Revenues	\$ 177,602,680	\$ 175,923,065	\$ 417,847,388	\$ 168,282,822
EXPENDITURES				
Materials and Supplies	725,516	1,167,500	1,125,000	1,125,000
Investment Fees	5,396	0	3,434	4,900
Bond Issue Costs	38,000	40,000	1,439,856	40,000
Redemption of Serial Bonds and Notes	102,944,265	104,961,040	104,887,117	102,681,233
Interest	69,318,898	67,651,728	66,321,084	66,571,867
Service Charges	20,158	96,890	96,890	64,500
Transfers Out	3,500,000	0	767,188	1
Retirement of Refunded Debt	0	0	241,112,526	0
Misc Expense	0	0	3,805,813	0
Total Expenditures	\$ 176,552,233	\$ 173,917,155	\$ 419,558,908	\$ 170,487,501
NET EXPENDITURES	\$ 1,050,447	\$ 2,005,910	\$ (1,711,520)	\$ (2,204,679)

Authorized Complement **0**

Fund balance beginning of year	\$ 76,878,772	\$ 77,929,219	\$ 77,929,219	\$ 76,217,699
Fund balance end of year	\$ 77,929,219	\$ 79,935,129	\$ 76,217,699	\$ 74,013,020

* Total Revenues do not reflect contribution from Fund Balance.
 ** Total Expenditures do not include contribution to Fund Balance.

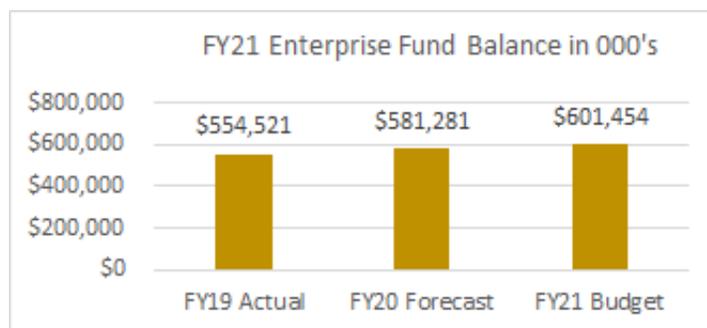
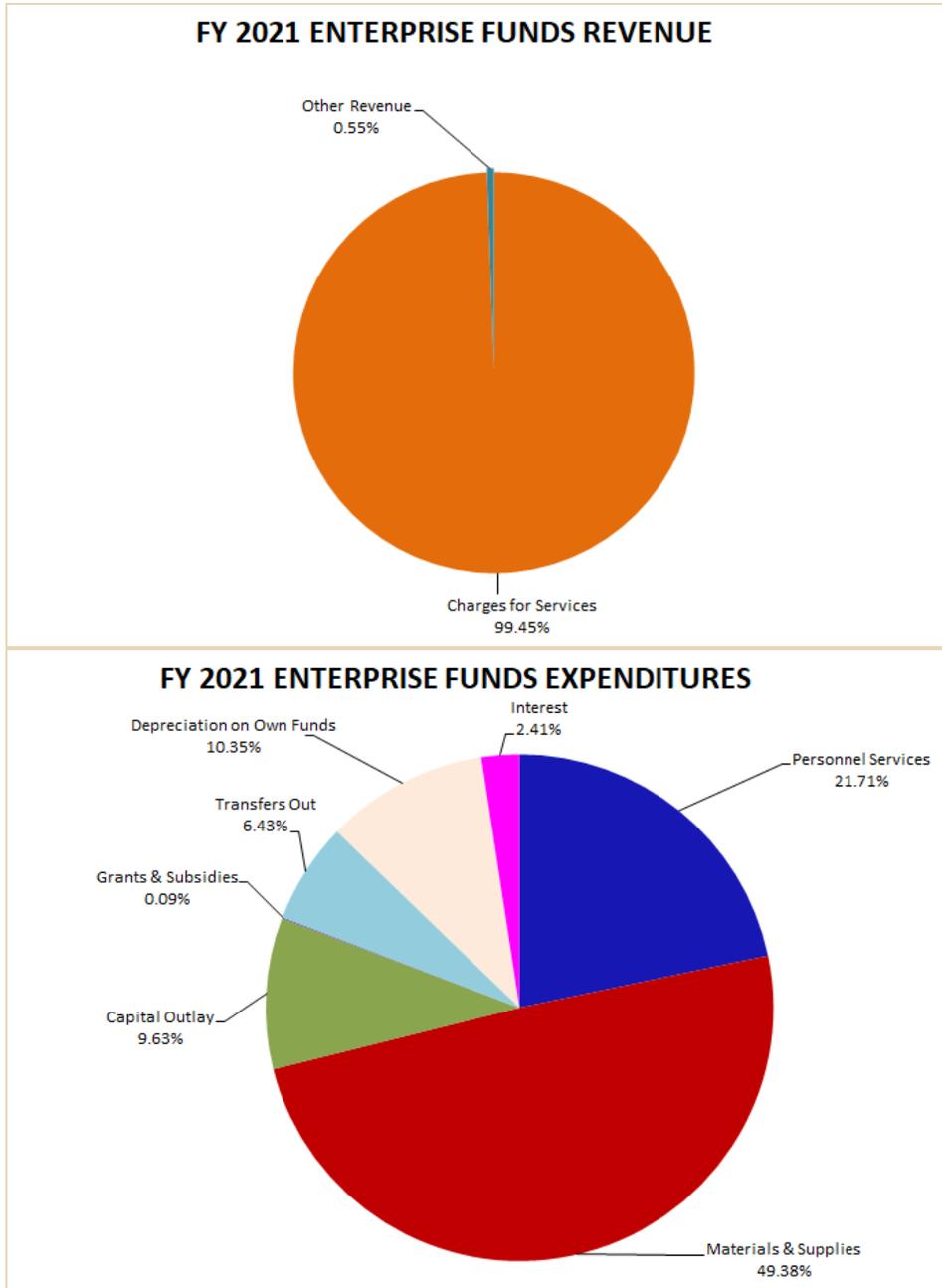


Enterprise Funds Summary

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Forecast	FY 2021 Adopted
REVENUES				
Capital Contributions	\$ 2,048,272	\$ 0	\$ 1,333,462	\$ 0
Fines and Forfeitures	97,134	51,800	115,231	211,000
Charges for Services	151,553,512	171,071,730	170,563,717	189,852,785
Use of Money and Property	1,928,075	744,000	1,482,215	744,000
Federal Grants	419,917	0	258,262	0
State Grants	0	0	161,000	0
Other Revenues	435,559	157,368	199,127	102,000
Transfers In	0	0	329,065	0
Dividend and Interest on Investment	489,241	0	535,747	0
Gain (Loss) on Investments	126,364	0	223,061	0
Gain (Loss) on Sale of Assets	5,445	0	38,520	0
Total Revenues	\$ 157,103,519	\$ 172,024,898	\$ 175,239,407	\$ 190,909,785
EXPENDITURES				
Personnel Services	33,084,968	37,262,036	34,482,374	37,069,448
Materials and Supplies	53,515,605	70,960,608	63,353,983	84,317,856
Pension Expense	545,000	0	0	0
Capital Outlay	3,479,298	11,171,040	10,435,540	16,435,040
Land Acquisition	4,100	0	0	0
Grants and Subsidies	171,142	0	375,000	150,000
Investment Fees	3,840	0	8,128	0
Bond Issue Costs	547,382	0	469,696	0
Interest	5,098,312	4,121,000	5,756,619	4,121,000
Service Charges	500	0	5,100	0
Transfers Out	10,251,050	12,822,373	12,823,485	10,977,000
Depreciation on Own Funds	15,743,104	17,667,140	20,768,417	17,667,140
Misc Expense	354,408	0	1,000	0
Total Expenditures	\$ 122,798,710	\$ 154,004,197	\$ 148,479,342	\$ 170,737,479
NET EXPENDITURES	\$ 34,304,810	\$ 18,020,701	\$ 26,760,065	\$ 20,172,306

Authorized Complement **546**

Fund balance beginning of year	\$ 519,667,452	\$ 554,521,359	\$ 554,521,359	\$ 581,281,424
Fund balance end of year	\$ 554,521,359	\$ 572,542,060	\$ 581,281,424	\$ 601,453,730



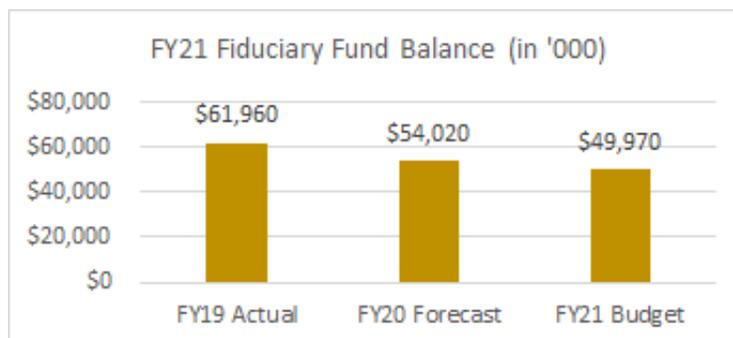
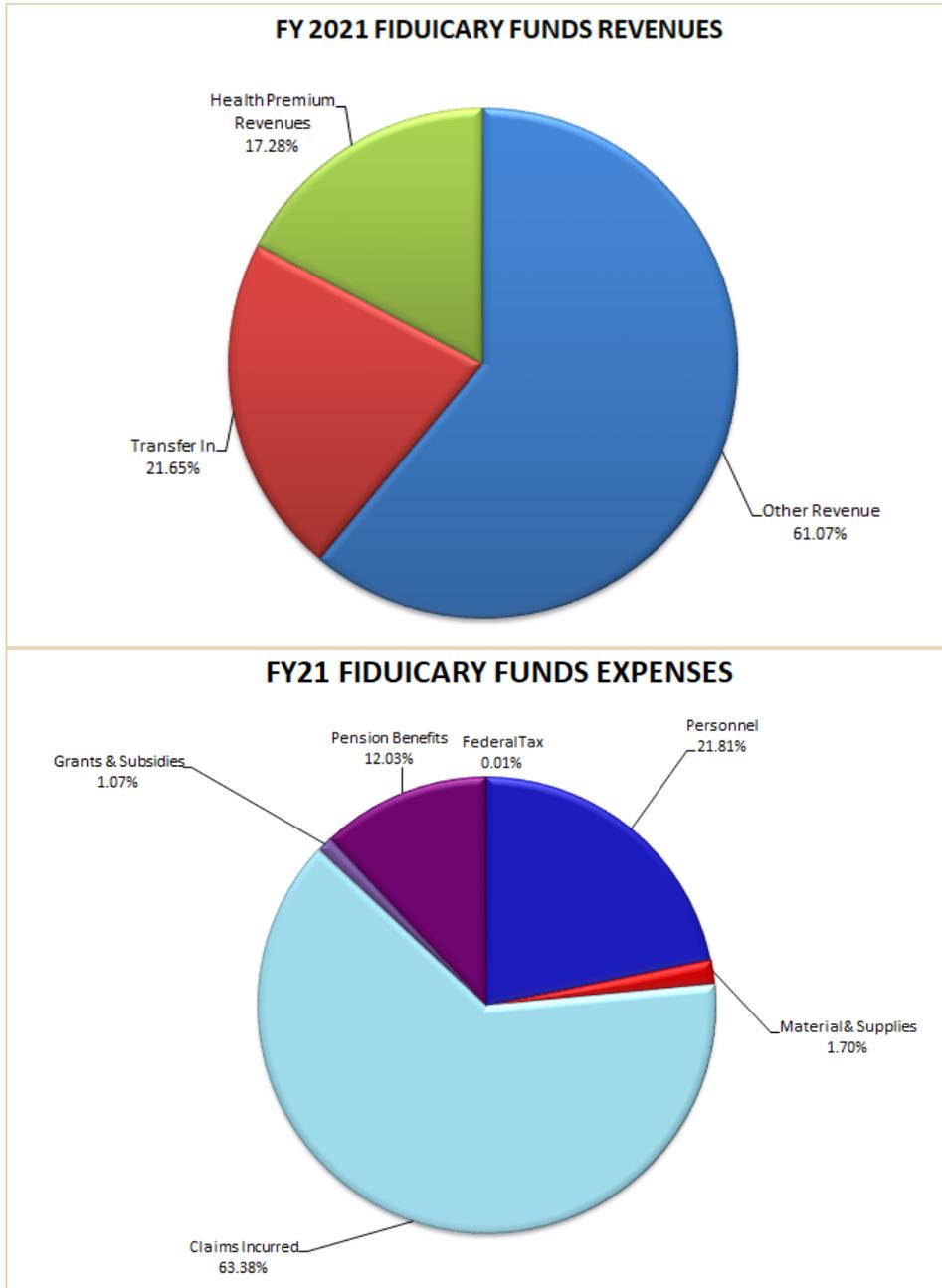
Fiduciary Fund Summary

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Forecast	FY 2021 Adopted
REVENUES				
Other Revenues	10,617,832	9,019,568	9,342,212	17,840,712
Transfers In	3,716,214	1,089,783	4,589,783	6,324,149
Dividend and Interest on Investment	1,862,207	0	1,568,956	0
Employee Contributions	2,067,889	1,814,000	1,886,396	5,049,000
Employer Contributions	122,913	0	81,986	0
Gain (Loss) on Investments	(932,772)	0	(6,633,143)	0
Gain (Loss) on Sale of Assets	1,497,897	0	1,381,097	0
Total Revenues	\$ 18,952,180	\$ 11,923,352	\$ 12,217,288	\$ 29,213,860
EXPENDITURES				
Personnel Services	5,662,246	5,840,395	7,282,619	7,255,807
Materials and Supplies	484,999	429,052	574,913	564,053
Capital Outlay	77	0	0	0
Grants and Subsidies	473,986	360,000	510,094	360,000
Claims Incurred	8,693,212	10,005,000	7,768,948	21,082,000
Investment Fees	8,013	0	670	0
Pension Benefits	4,332,477	0	4,000,000	4,000,000
Federal Tax	1,114	2,000	2,000	2,000
Misc Expense	134,508	0	17,417	0
Total Expenditures	\$ 19,790,632	\$ 16,636,447	\$ 20,156,6621	\$ 33,263,860
NET EXPENDITURES	\$ (838,452)	\$ (4,713,0960)	\$ (7,939,374)	\$ (4,050,000)

Authorized Complement	3
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Fund balance beginning of year	\$ 62,798,152	\$ 61,959,700	\$ 61,959,700	\$ 54,020,326
Fund balance end of year	\$ 61,959,700	\$ 57,246,604	\$ 54,020,326	\$ 49,970,326

* Total Revenues do not reflect contribution from Fund Balance.
 ** Total Expenditures do not include contribution to Fund Balance.



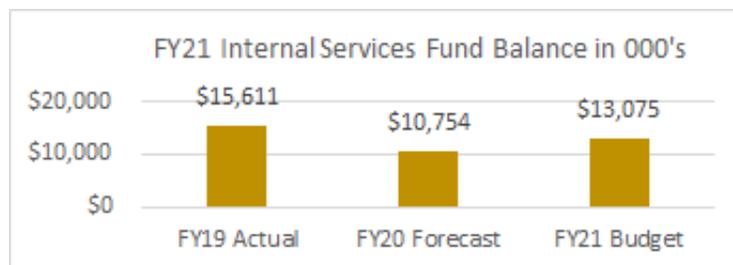
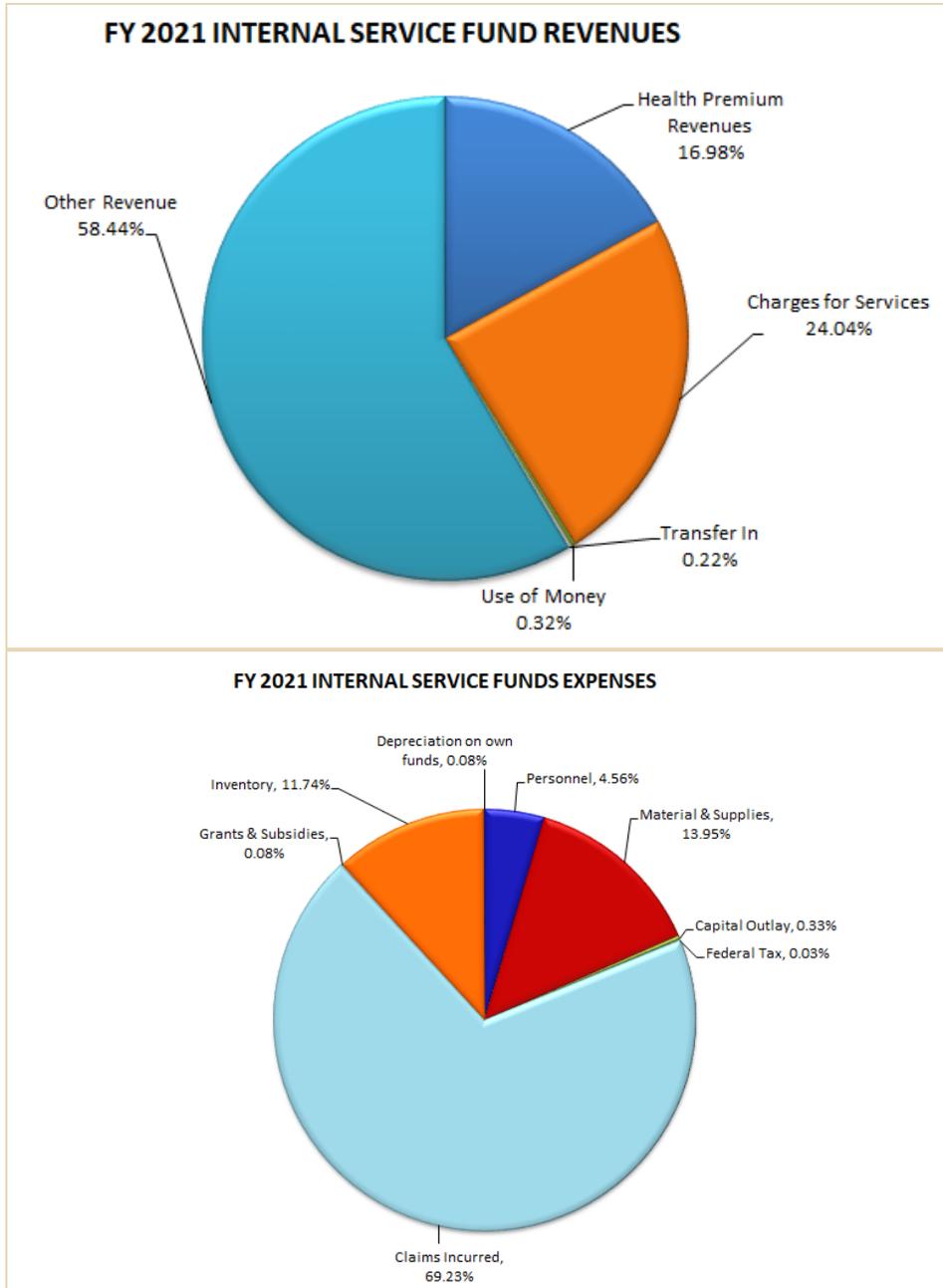
Internal Service Funds Summary

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Forecast	FY 2021 Adopted
REVENUES				
Charges for Services	29,576,138	27,106,532	26,228,776	30,325,742
Use of Money and Property	701,015	408,000	365,260	405,000
Other Revenues	61,775,920	70,693,744	69,820,184	73,714,880
Transfers In	0	0	3,000,000	275,189
Employee Contributions	15,849,457	17,195,000	15,904,878	20,831,000
Employer Contributions	516,560	575,200	533,120	586,400
Total Revenues	\$ 108,419,088	\$ 115,978,476	\$ 115,852,216	\$ 126,138,208
EXPENDITURES				
Personnel Services	3,621,085	4,225,667	5,517,681	5,644,358
Materials and Supplies	17,438,418	17,355,314	21,294,997	17,268,448
Capital Outlay	9,774	413,453	472,207	403,453
Grants and Subsidies	101,769	98,400	130,000	105,810
Inventory	14,300,883	13,303,707	13,490,163	14,541,936
Claims Incurred	74,256,608	79,670,000	75,444,574	85,721,000
Federal Tax	13,996	33,000	33,000	36,000
Transfers Out	594,000	3,900,000	3,900,000	0
Depreciation on Own Funds	0	96,100	0	96,100
Misc Expense	35,191	0	426,549	0
Total Expenditures	\$ 110,371,726	\$ 119,095,647	\$ 120,709,171	\$ 123,817,105
NET EXPENDITURES	\$ (1,952,638)	\$ (3,117,171)	\$ (4,856,955)	\$ 2,321,105

Authorized Complement **10**

Fund balance beginning of year	\$ 17,563,383	\$ 15,610,745	\$ 15,610,745	\$ 10,753,790
Fund balance end of year	\$ 15,610,745	\$ 12,493,574	\$ 10,753,790	\$ 13,074,894

* Total Revenues do not reflect contribution from Fund Balance.
 ** Total Expenditures do not include contribution to Fund Balance.



Special Revenue Funds Summary

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Forecast	FY 2021 Adopted
REVENUES				
Local Taxes	22,960,867	21,543,964	38,097,494	55,925,255
State Taxes	22,764,145	22,203,600	23,753,600	17,803,600
Licenses and Permits	2,153,103	1,891,000	2,120,240	1,891,000
Fines and Forfeitures	3,011,202	2,191,715	1,576,120	1,065,000
Charges for Services	57,687,839	57,273,066	66,336,506	75,100,584
Use of Money and Property	583,800	234,541	400,174	108,006
Federal Grants	3,792,467	3,522,350	4,390,058	3,497,350
State Grants	152,178	278,500	0	0
Other Revenues	56,657	87,144	228,722	38,228
Transfers In	15,485,000	250,000	275,000	4,050,000
Proceeds from Loan	0	0	7,500,000	0
Total Revenues	\$ 128,647,258	\$ 109,475,880	\$ 144,677,914	\$ 159,479,020
EXPENDITURES				
Personnel Services	29,536,664	33,016,845	33,315,674	33,873,279
Materials and Supplies	32,083,246	31,870,037	32,575,751	31,816,529
Capital Outlay	5,668,250	4,179,678	8,512,582	4,338,678
Grants and Subsidies	14,597,775	10,762,000	16,526,170	12,865,300
Service Charges	29,671,046	21,935,264	23,482,264	23,063,359
Transfers Out	17,949,517	18,709,527	20,045,807	34,373,348
Misc Expense	287,434	0	668	0
Total Expenditures	\$ 129,793,932	\$ 120,473,351	\$ 143,458,916	\$ 140,330,493
NET EXPENDITURES	\$ (1,146,674)	\$ (10,997,471)	\$ 1,218,998	\$ 19,148,527

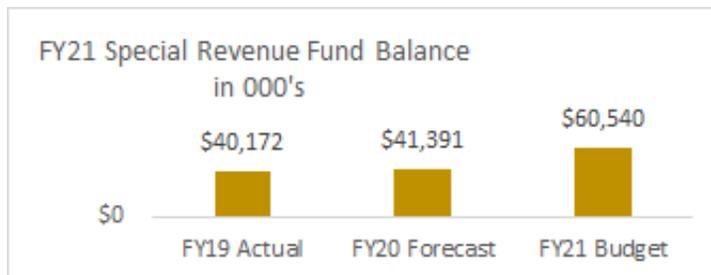
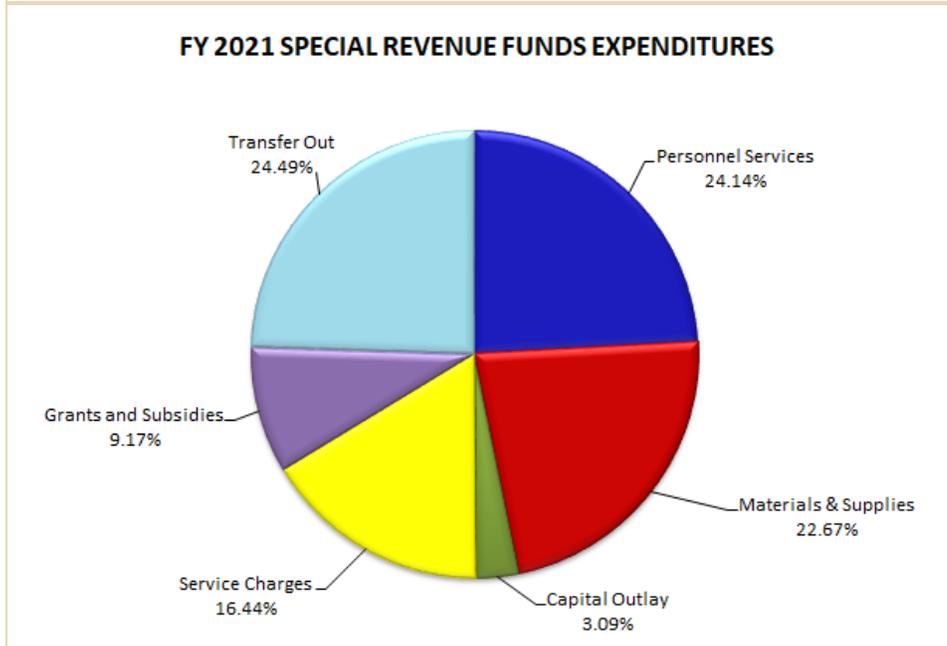
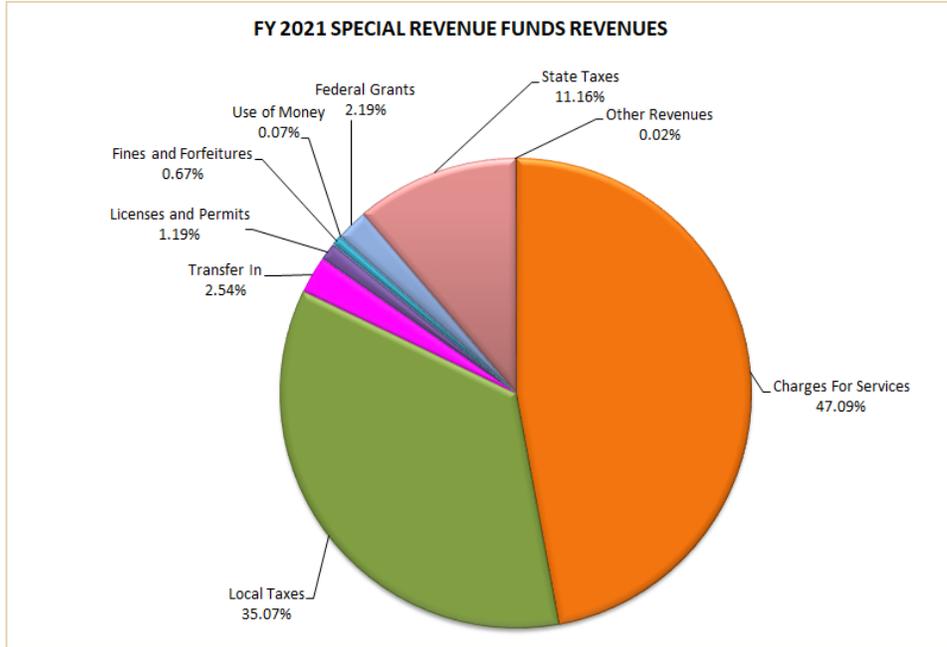
Authorized Complement

521

Fund balance beginning of year	\$ 41,318,842	\$ 40,172,167	\$ 40,172,167	\$ 41,391,165
Fund balance end of year	\$ 40,172,167	\$ 29,174,696	\$ 41,391,165	\$ 60,539,692

* Total Revenues do not reflect contribution from Fund Balance.

** Total Expenditures do not include contribution to Fund Balance.





Property Tax Revenues

Property Tax revenues are the largest single source of operating revenues. This tax is levied based on the assessed value of various types of property including:

- Real property (land, structures, and lease-hold improvements),
- Personal property (business equipment, excluding inventories for resale) and
- Public utility property (real and personal property owned by utilities and organizations regulated by the State)

In 2020 Memphis' assessed value of real property:

- 84.54% Residential
- 7.30% Commercial
- 1.62% Industrial
- 0.09% Farm
- 0.08% Multiple
- 6.37% Exempt

Assessment Percentage of Appraisal:

Residential	25%
Commercial	40%
Industrial	40%
Public Utility	55%
Farm	25%
Personal Property	30%

The assessed value of a residential property with an appraised value of \$100,000 would be \$25,000 (.25 x100,000), while a commercial property of the same appraised value would have an assessed value of \$40,000 (.40 x100,000).

Tax rates are set by the Council through the annual budget process. These rates are set as necessary in order to fund a balanced budget that provides services believed to be necessary and affordable.

The City Treasurer generates tax bills based on the following information: the assessed value of the property and the tax rate to figure each property tax bill. That office also collects the taxes.

To calculate the property tax bill, the assessed value is divided by \$100 and the result is multiplied by the tax rate. For example, a residential property appraised at \$100,000 would be assessed at \$25,000 (the \$100,000 appraised value times the 25% residential assessment ratio). With a tax rate set at \$3.40, the calculation is:

$$\begin{aligned} \text{tax} &= (\$25,000/\$100) \times \$3.40 \text{ per } \$100 \\ &= \$250 \times \$3.40 = \$850.00 \end{aligned}$$

Property tax bills are mailed to property owners and, if taxes are paid through an escrow account, also to the mortgage holder. This normally occurs by July 1. Tax payments are due by the end of August.

Property Tax revenues along with other local tax sources provide the City with the largest source of revenue to the operating budget.

Property appraisals are done by the Shelby County Assessor of Property, except for public utilities which are assessed by the Tennessee Regulatory Authority. Appraised value is the estimated market value based on a point in time. Certain properties are exempt such as government, religious, charitable, etc.

Historical property tax rates are displayed in the following table.

HISTORY OF PROPERTY TAXES

Tax Year	Fiscal Year	General Fund	Schools	Pre-K	Community Catalyst	Affordable Housing	Debt Service	Capital Pay Go	Total Rate
1982	1983	2.080000	1.140000				0.450000	0.0000	3.67
1983	1984	1.680000	1.000000				0.450000	0.0000	3.13
1984	1985	1.680000	1.000000				0.450000	0.0000	3.13
1985	1986	1.830000	1.030000				0.450000	0.0000	3.31
1986	1987	1.909800	1.030000				0.370200	0.0000	3.31
1987	1988	1.896660	1.030000				0.383340	0.0000	3.31
1988	1989	1.588270	1.090000				0.631730	0.0000	3.31
1989	1990	1.662870	1.030000				0.617130	0.0000	3.31
1990	1991	1.620490	1.030000				0.659510	0.0000	3.31
1991	1992	1.094100	0.665655				0.386900	0.0000	2.15
1992	1993	1.304296	0.804955				0.566704	0.0000	2.68
1993	1994	1.610611	0.967537				0.596990	0.0000	3.18
1994	1995	1.672400	0.967538				0.535200	0.0000	3.18
1995	1996	1.672400	0.967538				0.535200	0.0000	3.18
1996	1997	1.672400	0.967538				0.535200	0.0000	3.18
1997	1998	1.672400	0.967538				0.535200	0.0000	3.18
1998	1999	1.376300	0.840675				0.548800	0.0000	2.77
1999	2000	1.376300	0.840675				0.548800	0.0000	2.77
2000	2001	1.751000	0.894900				0.724100	0.0000	3.37
2001	2002	1.678500	0.857800				0.694100	0.0000	3.23
2002	2003	1.675300	0.857800				0.694100	0.0032	3.23
2003	2004	1.675300	0.857800				0.694100	0.0032	3.23
2004	2005	1.675300	0.857800				0.694100	0.0032	3.23
2005	2006	1.908800	0.827100				0.694100	0.0032	3.43
2006	2007	1.908800	0.827100				0.694100	0.0032	3.43
2007	2008	1.908800	0.827100				0.694100	0.0032	3.43
2008	2009	2.342700	0.190000				0.714100	0.0032	3.25
2009	2010	2.291700	0.186800				0.714100	0.0031	3.19
2010	2011	2.291700	0.186800				0.714100	0.0031	3.19
2011	2012	2.471700	0.000000				0.714100	0.0031	3.19
2012	2013	2.291700	0.100000				0.715200	0.0031	3.11
2013	2014	2.487400	0.000000				0.909300	0.0033	3.40
2014	2015	2.312500	0.000000				1.084200	0.0033	3.40
2015	2016	2.312500	0.000000				1.084200	0.0033	3.40
2016	2017	2.312500	0.000000				1.084200	0.0033	3.40
2017	2018	2.225088	0.000000				1.043218	0.003175	3.271481
2018	2019	2.163984	0.000000	0.010000			1.018900	0.003102	3.195986
2019	2020	2.163984	0.000000	0.010000	0.006667	0.006667	0.998900	0.009768	3.195986
2020	2021	2.177318	0.000000	0.010000	0.000000	0.000000	0.998900	0.009768	3.195986

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

AN ORDINANCE TO APPROPRIATE THE PROCEEDS OF THE TAX LEVY ON THE ASSESSED VALUES ON ALL PROPERTIES OF EVERY SPECIES WITHIN THE CITY LIMITS FOR GENERAL PURPOSES FOR THE FISCAL YEAR JULY 1, 2020 THROUGH JUNE 30, 2021, INCLUSIVE, TOGETHER WITH ALL COLLECTIONS FROM PRIVILEGES, LICENSES, FEES, FINES, PERMITS, CHARGES, REQUESTS, TRANSFERS FROM NON-BUDGET ACCOUNTS, EARNINGS, REFUNDS, AND ALL OTHER ITEMS CONSTITUTING THE REVENUE RECEIPTS OF THE CITY OF MEMPHIS FOR THE FISCAL YEAR JULY 1, 2020 THROUGH JUNE 30, 2021, INCLUSIVE, TO PROVIDE THE MANNER IN WHICH MONIES MAY BE TRANSFERRED FROM ONE FUND TO ANOTHER AND TO PROVIDE THE STANDARD CODE OR DESIGNATIONS UNDER WHICH THE APPROPRIATIONS ARE TO BE ADMINISTERED AND ACCOUNTING CONTROL MAINTAINED.

SECTION 1. BE IT ORDAINED that the anticipated receipts herein appropriated shall be designated as follows:

1. **GENERAL FUND**, which shall embrace all expenditures for the accounts of the City corporation, except for the expenditures hereinafter appropriated to the Special Revenue Funds, Debt Service Fund, Enterprise Funds, Internal Service Fund and Fiduciary Funds, including current operations and outlays for construction and equipment to be made from receipts herein appropriated.

**GENERAL FUND
GENERAL REVENUES**

LOCAL TAXES	
Ad Valorem Tax- Current	254,500,000
Ad Valorem Tax - Current Sale of Receivables	7,500,000
Ad Valorem Tax Prior	2,200,000
Ad Valorem Tax - Prior One Time Assessment	11,000
Special Assessment Tax	650,000
Prop Taxes Interest & Penalty	5,600,000
Bankruptcy Interest & Penalty	98,000
Interest, Penalty - Sale of Tax Rec	1,200,000
PILOT's	5,000,000
State Apportionment TVA	7,800,000
Local Sales Tax	92,250,000
Beer Sales Tax	13,995,000
Alcoholic Beverage Inspection Fee	5,404,059
Mixed Drink Tax	6,375,000
Gross Rec Business Tax	11,700,000
Excise Tax	1,500,000
Franchise Tax - Telephone	1,300,000
Cable TV Franchise Fees	4,200,000
Fiber Optic Franchise Fees	1,250,000
Misc. Franchise Tax	850,000
Interest, Penalties & Commission	298,000
Business Tax Fees	1,170,000
Misc. Tax Recoveries	350,000
MLGW Pipeline	270,000
TOTAL LOCAL TAXES	425,471,059

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

STATE TAXES	
State Sales Tax	45,525,000
Telecommunication Sales Tax	1,000,000
State Income Tax	2,500,000
State Shared Beer Tax	225,000
Alcoholic Beverage Tax	300,000
Spec Petroleum Product Tax	1,285,000
TOTAL STATE TAXES	50,835,000
LICENSES & PERMITS	
Auto Registration Fee	13,000,000
Dog License	225,000
County Dog License Fee	60,000
Liquor By Ounce License	196,500
Taxi Drivers License	6,000
Gaming Pub Amus Perm Fee	3,750
Wrecker Permit Fee	20,500
Misc. Permits	66,000
Beer Application	54,000
Beer Permit Privilege Tax	127,800
Sidewalk Permit Fees	36,000
TOTAL LICENSES & PERMITS	13,795,550
FINES AND FORFEITURES	
Court Fees	4,300,000
Court Costs	4,200,000
Fines & Forfeitures	3,000,000
Seizures	27,000
Beer Board Fines	30,000
Arrest Fees	57,000
DUI BAC Fees	2,000
Sex Offender Registry Fees	112,000
Vacant Property Registration Fee	35,000
TOTAL FINES & FORFEITURES	11,763,000
CHARGES FOR SERVICES	
Subdivision Plan Inspection Fee	150,000
Parking	500,000
Senior Citizen's Meals	75,000
Concessions	2,250,000
Golf Car Fees	750,000
Pro Shop Sales	110,000
Green Fees	900,000
Softball	26,000

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

Ballfield Permit	15,000
Class Fees	45,000
Parking Meters	1,100,000
Ambulance Service	22,500,000
Rental Fees	1,700,000
MLG&W Rent	2,400
Rent of Land	180,000
Parking Lots	387,000
Easements & Encroachments	65,000
Tax Sales Attorney Fees	425,000
Street Cut Inspection Fee	100,000
Traffic Signals	165,000
Signs-Loading Zones	45,000
Arc Lights	4,000
Wrecker & Storage Charges	650,000
Shelter Fees	200,000
Police Special Events	500,000
Outside Revenue	156,000
Tow Fees	600,000
HCD-Docking Fees	350,000
TOTAL CHARGES FOR SERVICES	33,950,400
USE OF MONEY	
Interest on Investments	1,000,000
Net Income/Investors	445,000
State Litigation Tax Commission	60,000
TOTAL USE OF MONEY	1,505,000
FEDERAL GRANTS-OTHER	5,250,000
TOTAL FEDERAL GRANTS	5,250,000
STATE GRANTS	14,000,000
TOTAL STATE GRANTS	14,000,000
INTERGOVERNMENTAL REVENUES	
International Airport	4,265,973
MATA	6,700,000
TOTAL INTERGOVERNMENTAL REVENUES	10,965,973
OTHER REVENUES	
Miscellaneous Auctions	1,700,000
Local Shared Revenue	650,000
Anti-Neglect Enforcement	160,000
Property Insurance Recoveries	65,000
Rezoning Ordinance Publication Fees	3,000
Sale Of Reports	425,000

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

City of Bartlett	1,034,000
Utility Warranty Program	75,000
Subdivision Sidewalk Fees	6,500
Sewer Fund Cost Allocation	1,075,000
Unclaimed Property	32,000
Fire - Misc. Collections	55,000
Donated Revenue	500,000
Coca - Cola Sponsorship	95,000
FNMA Services Fees	875
Subrogation Claims	100,000
TOTAL OTHER REVENUES	5,976,375
TRANSFERS IN	
In Lieu Of Taxes-MLGW	56,411,000
In Lieu Of Taxes-Sewer	9,134,000
Oper Tfr In - Solid Waste Fund	750,000
Oper Tfr In-Sales Tax Referendum 2019 Fund	12,000,000
Oper Tfr In-Sewer Fund	1,737,000
Oper Tfr In - Metro Alarm Fund	1,600,000
Oper Tfr In - Storm Water Fund	106,000
TOTAL TRANSFERS IN	81,738,000
General Fund Revenues	655,250,357
<i>Contributed From Unassigned Fund Balance</i>	<i>17,944,169</i>
<i>Contribution From Assigned Fund Balance</i>	<i>20,000,000</i>
<i>Contribution From Restricted Fund Balance</i>	<i>15,500,000</i>
Total Contributed From Fund Balance	53,444,169
TOTAL GENERAL REVENUES	708,694,526

**GENERAL FUND
EXPENDITURE BUDGET**

EXECUTIVE	
Mayor's Office	1,040,471
Chief Administrative Office	1,173,068
Auditing	964,965
311 Call Center	572,040
Office of Youth Services and Community Affairs	4,937,461
Intergovernmental Affairs	684,853
CLERB	236,023
Memphis Animal Services	4,450,359
Community Affairs	1,622,866
Communications	2,355,753
Office of Performance Mgmt.	629,613

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

Memphis Public Service Corp.	1,310,656
TOTAL EXECUTIVE	19,978,128
FINANCE	
Administration	807,534
Financial Accounting	3,079,267
Purchasing	1,291,046
Budget	555,711
Debt Management	236,301
City Treasurer	3,395,810
Financial & Strategic Planning Office	323,802
Equal Business Opportunity & Development Programs	1,996,363
Office of Comprehensive Planning	2,023,781
TOTAL FINANCE	13,709,615
FIRE	
Administration	4,330,173
Apparatus Maintenance	8,503,046
Logistical Services	2,219,360
Training	3,073,043
Communications	7,685,016
Prevention	5,504,166
Firefighting	116,298,321
Emergency Medical Services (EMS)	39,739,604
Airport	4,265,973
TOTAL FIRE	191,618,702
POLICE	
Executive Administration	38,753,534
Support Services	38,845,696
Uniform Patrol/Precincts	144,919,612
Investigative Services	29,611,897
Special Operations	29,348,758
TOTAL POLICE	281,479,497
PARKS	
Administration	1,724,318
Planning & Development	298,765
Parks Operations	5,831,147
Park Facilities	3,495,784
Zoo	3,658,243
Brooks Museum	671,797
Memphis Botanic Gardens	597,589
Sports Centers	3,133,718
Recreation Centers	9,760,374

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

Support Service Golf	4,865,822
Sports Services	2,076,595
TOTAL PARKS	36,114,152
PUBLIC WORKS	
Administration	935,814
Street Maintenance	5,173,672
Neighborhood Improvements	10,980,768
TOTAL PUBLIC WORKS	17,090,254
HUMAN RESOURCES	
Administration	366,628
Talent Management	4,903,930
Compensation	858,976
Equity, Diversity & Inclusion	982,450
HR Operations	312,314
HR Analytics & Performance	938,750
TOTAL HUMAN RESOURCES	8,363,048
GENERAL SERVICES	
Administration	2,329,624
Property Maintenance	12,940,497
Real Estate	752,714
Operation Of City Hall	6,092,316
Fleet Management	1,204,223
TOTAL GENERAL SERVICES	23,319,374
HOUSING & COMMUNITY DEVELOPMENT	
Housing Community	2,114,048
Housing Community Development Housing	785,936
Economic Development	530,969
Community Initiatives	1,434,836
TOTAL HOUSING & COMMUNITY DEVELOPMENT	4,865,789
CITY ATTORNEY	14,349,690
ENGINEERING	
Planning Design & Construction	888,515
Signs & Markings	3,277,060
Signal Maintenance	3,328,920
TOTAL ENGINEERING	7,494,495
LIBRARY	22,640,477
INFORMATION SYSTEMS	
Information Systems Admin	10,238,744
Information Systems Operations	11,565,505

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

TOTAL INFORMATION SYSTEMS	21,804,249
CITY COUNCIL	2,668,417
CITY COURT JUDGES	818,953
CITY COURT CLERK	
City Court Clerk	3,828,637
Red Light Camera	2,900,675
TOTAL CITY COURT CLERK	6,729,312
GRANTS & AGENCIES	
MLGW Citizen's Assistance Grant	1,000,000
Aging Commission of the Mid-South	143,906
Black Business Association	300,000
Shelby County School Mixed Drink Proceeds	4,000,000
Shelby County School Settlement	1,333,336
Convention Center	2,425,060
Innovate Memphis	330,500
MATA	19,170,000
Pensioners Insurance	8,373,569
Memphis River Park	3,024,003
The 800 Initiative	500,000
Expense Recovery (State Street Aid)	(5,500,000)
Oper Tfr Out - HUB Community Impact Fund	550,000
TOTAL GRANTS & AGENCIES	35,650,374
Contributed To Fund Balance	0
TOTAL EXPENDITURES / TRANSFERS GENERAL FUND	708,694,526

2. SPECIAL REVENUE FUNDS

A. HOTEL/MOTEL TAX FUND	
HOTEL/MOTEL TAX FUND	
REVENUE BUDGET	
Hotel/Motel Tax	3,750,000
Occupancy Increase	3,900,000
Room Night Assessment	4,297,385
TOTAL REVENUES	11,947,385
EXPENDITURE BUDGET	
Convention/Visitor's Bureau	2,490,243
Memphis/Shelby County Sports	2,824,092
Transfer Out-Debt Service Fund	6,633,050

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

<i>TOTAL EXPENDITURES</i>	11,947,385
B. NEW MEMPHIS ARENA FUND	
NEW MEMPHIS ARENA FUND	
REVENUE BUDGET	
Local Taxes	2,500,000
<i>TOTAL REVENUES</i>	2,500,000
EXPENDITURE BUDGET	
Grants and Subsidies	2,500,000
<i>TOTAL EXPENDITURES</i>	2,500,000
C. METRO ALARM FUND	
METRO ALARM FUND	
REVENUE BUDGET	
Alarm Revenue	1,936,144
Contributed From Fund Balance	223,116
<i>TOTAL REVENUE</i>	2,159,260
EXPENDITURE BUDGET	
Personnel Services	383,310
Materials and Supplies	175,950
Oper Transfer Out-General Fund	1,600,000
<i>TOTAL EXPENDITURES</i>	2,159,260
D. SOLID WASTE MANAGEMENT FUND	
SOLID WASTE MANAGEMENT FUND	
REVENUE BUDGET	
Solid Waste Disposal Fee	74,560,581
Sanitation Inspection Fee	540,000
Local Taxes	100,000
Use of Money and Property	53,000
Other Revenues	25,084
<i>TOTAL REVENUES</i>	75,278,665
EXPENDITURE BUDGET	
Personnel Services	32,689,970
Materials and Supplies	12,746,214
Capital Outlay	1,120,000
Service Charges	23,063,359

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

Transfers Out	3,809,144
Contributed To Fund Balance	1,849,978
TOTAL EXPENDITURES	75,278,665
E. DRUG ENFORCEMENT FUND	
DRUG ENFORCEMENT REVENUE BUDGET	
Fines & Forfeitures	1,065,000
Federal Grants	60,000
Contributed From Fund Balance	2,315,392
TOTAL REVENUES	3,440,392
EXPENDITURE BUDGET	
Personnel Services	800,000
Materials and Supplies	2,125,392
Capital Outlay	515,000
TOTAL EXPENDITURES	3,440,392
F. PARK SPECIAL SERVICE FUND	
PARK SPECIAL SERVICE REVENUE BUDGET	
Local Sales Tax	156,120
Use of Money & Property	22,041
TOTAL REVENUES	178,161
EXPENDITURE BUDGET	
Contributed To Fund Balance	178,161
TOTAL EXPENDITURES	178,161
G. STATE STREET AID FUND	
STATE STREET AID REVENUE BUDGET	
State Gas - Motor Fuel Tax	8,785,000
Three-Cent Tax	2,616,600
One-Cent Tax	1,402,000
IMPROVE Act	5,000,000
TOTAL REVENUES	17,803,600
EXPENDITURE BUDGET	
Materials and Supplies	16,035,300
Transfer Out-Debt Service Fund	1,768,300
TOTAL EXPENDITURES	17,803,600

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

H. FIRE EMS FUND	
FIRE EMS	
REVENUE BUDGET	
<i>Federal Grants</i>	3,437,350
TOTAL REVENUE	3,437,350
EXPENDITURE BUDGET	
Materials and Supplies	733,672
Capital Outlay	2,703,678
TOTAL EXPENDITURE	3,437,350
I. BEALE STREET DISTRICT FUND	
BEALE STREET DISTRICT	
REVENUE BUDGET	
Miscellaneous Revenue	492,000
TOTAL REVENUE	492,000
EXPENDITURE BUDGET	
Contributed To Fund Balance	492,000
TOTAL EXPENDITURE	492,000
J. PRE-K FUND	
PRE-K	
REVENUE BUDGET	
Local Taxes	1,221,750
OperTfr in - Sales Tax Referendum 2019	3,500,000
TOTAL REVENUE	4,721,750
EXPENDITURE BUDGET	
Grants and Subsidies	4,500,000
Contributed To Fund Balance	221,750
TOTAL EXPENDITURE	4,721,750
K. HUB COMMUNITY IMPACT FUND	
HUB COMMUNITY IMPACT	
REVENUE BUDGET	
Oper Tfr In - General Fund	550,000
Use of Money and Property	965
TOTAL REVENUE	550,965
EXPENDITURE BUDGET	

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

Grants and Subsidies	550,965
TOTAL EXPENDITURE	550,965
L. SALES TAX REFERENDUM FUND	
SALES TAX REFERENDUM	
REVENUE BUDGET	
Local Sales Tax	40,000,000
TOTAL REVENUE	40,000,000
EXPENDITURE BUDGET	
Oper Tfr Out - General Fund	12,000,000
Oper - Tfr Out - Pre-K	3,500,000
Oper Tfr Out - Healthcare Fund	275,189
Oper Tfr Out - OPEB Fund	4,787,665
Contributed To Fund Balance	19,437,146
TOTAL EXPENDITURE	40,000,000
M. LIFE INSURANCE FUND	
LIFE INSURANCE	
REVENUE BUDGET	
Other Revenues	150,000
Use of Money & Property	470,000
TOTAL REVENUES	620,000
EXPENDITURE BUDGET	
Contributed To Fund Balance	620,000
TOTAL EXPENDITURES	620,000
3. DEBT SERVICE FUND	
The Debt Service Fund shall embrace expenditures for the payment of interest and installments on the public debt.	
DEBT SERVICE FUND	
REVENUE BUDGET	
Current Property Tax	119,184,358
Delinquent Property Tax	1,000,000
Sale of Delinquent Accounts	3,400,000
Local Option Sales Tax	7,491,000
In Lieu Of Taxes-Contractual	2,201,839
Tourism Development Zone Local	2,800,000
State Taxes	14,800,000
Use of Money	1,776,300

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

Federal Grants	2,321,358
Other Revenue	1,656,026
Transfer In-State Street Aid	1,768,300
Transfer In-Hotel/Motel Fund	6,633,050
Transfer In-Solid Waste	3,059,144
Transfer In -Misc. Grants Fund	191,446
Contributed From Fund Balance	5,443,250
TOTAL REVENUES / TRANSFERS IN	173,726,071
EXPENDITURE BUDGET	
Principal-Serial Bonds, Notes, and Leases	102,681,233
Interest-Serial Bonds, Notes, and Leases	66,571,867
Other	1,194,400
Bond Issue Cost	40,000
Contributed To Fund Balance	3,238,571
TOTAL EXPENDITURES	173,726,071
4. ENTERPRISE FUNDS	
A. SEWER FUND which shall embrace expenditures from City Sewer Fees, Connection Fees, Miscellaneous Fees, and other monies used for Sewer Services operating and debt service purposes.	
SEWER FUND	
REVENUE BUDGET	
Sewer Fees	157,300,000
Subdivision Development Fees	350,000
Rents	42,785
Use of Money and Property	600,000
Fines & Forfeitures	201,000
Special Sewer Connections	20,000
Biogas Revenue	40,000
Other Revenue	102,000
TOTAL REVENUES	158,655,785
EXPENSE BUDGET	
Personnel	25,208,870
Materials and Supplies	76,288,401
Capital Outlay	14,637,000
Debt Service -Interest	3,181,000
State Loan Interest	740,000
In-Lieu-Of Payment-General	9,134,000
Dividend To General Fund	1,300,000
Depreciation on Own Fund	15,250,800
Transfer-Out General Fund	437,000
Contributed To Fund Balance	12,478,714

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

<i>TOTAL EXPENSES</i>	158,655,785
B. STORM WATER FUND which shall embrace expenditures from City Storm Water Fees, Drainage Fees, Miscellaneous Fees, and other monies used for Storm Water Services operating and debt service purposes.	
STORM WATER FUND	
REVENUE BUDGET	
Storm Water Fees	32,100,000
Use of Money and Property	144,000
Fines & Forfeitures	10,000
<i>TOTAL REVENUES</i>	32,254,000
EXPENSE BUDGET	
Personnel	11,860,577
Materials & Supplies	8,029,452
Capital Outlay	1,798,040
Grants and Subsidies	150,000
Interest	200,000
Dividend to General Fund	106,000
Depreciation on Own Funds	2,416,340
Contributed To Fund Balance	7,693,591
<i>TOTAL EXPENSES</i>	32,254,000

5. INTERNAL SERVICE FUNDS

HEALTHCARE	
REVENUE BUDGET	
Operating Revenues	95,136,067
<i>TOTAL REVENUES</i>	95,136,067
EXPENSE BUDGET	
Personnel	5,644,357
Materials & Supplies	3,819,900
Capital Outlay	9,000
Claims Incurred	85,521,000
Grants & Subsidies	105,810
Federal Tax	36,000
<i>TOTAL EXPENSES</i>	95,136,067
UNEMPLOYMENT FUND	
REVENUE BUDGET	
Program Revenues	604,400

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

<i>TOTAL REVENUE</i>	604,400
EXPENSE BUDGET	
Claims Incurred	200,000
Contributed To Fund Balance	404,400
<i>TOTAL EXPENSES</i>	604,400
FLEET MANAGEMENT FUND	
REVENUE BUDGET	
V.M. Fuel Revenue Inside	9,886,132
V.M. Shop Charges	19,624,572
V.M. Inventory/Store Sales	644,453
Use of Money and Property	72,000
Outside Revenue	170,585
<i>TOTAL REVENUES</i>	30,397,742
EXPENSE BUDGET	
Materials & Supplies	13,448,548
Inventory	14,541,936
Depreciation on Own Funds	96,100
Capital Outlay	394,453
Contributed To Fund Balance	1,916,705
<i>TOTAL EXPENSES</i>	30,397,742
6. FIDUCIARY FUNDS	
OTHER POST EMPLOYMENT BENEFITS (OPEB)	
REVENUE BUDGET	
Operating Revenues	27,677,376
<i>TOTAL REVENUES</i>	27,677,376
EXPENSE BUDGET	
Personnel	5,719,323
Material & Supplies	514,053
Claims Incurred	21,082,000
Federal Tax	2,000
Grants & Subsidies	360,000
<i>TOTAL EXPENSES</i>	27,677,376
LIBRARY RETIREMENT SYSTEM	
REVENUE BUDGET	
Operating Transfer In	1,536,484
Contributed From Fund Balance	4,050,000
<i>TOTAL REVENUES</i>	5,586,484

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

EXPENSE BUDGET	
Personnel	1,536,484
Materials and Supplies	50,000
Pension Benefits	4,000,000
TOTAL EXPENSES	5,586,484

SECTION 2. BE IT FURTHER ORDAINED that for the purposes of budget control, administration, and accounting of the appropriations made herein for the fiscal year, July 1, 2020, through June 30, 2021, inclusive, the Division and Program names shall be as set out in accordance with the requirements of Section One (1) hereof.

SECTION 3. BE IT FURTHER ORDAINED that City Council estimates of the revenues of the City of Memphis for the fiscal year, July 1, 2020, through June 30, 2021, inclusive, which are applicable to the purposes for which taxes are levied shall be set in the schedule within Section 1.

SECTION 4. BE IT FURTHER ORDAINED that all monies subject to appropriation by all Divisions shall be deposited with the City Treasurer for the use of the City of Memphis and all monies so received shall be considered appropriated regardless of the foregoing estimates by items until the appropriations have been filled.

Thereupon, any surplus shall become and be designated unappropriated revenue and be subject to lawful appropriation by the City Council. Such amounts are not appropriated for the use of the Division receiving same, but shall be carried as a memorandum of collections and earnings.

SECTION 5. BE IT FURTHER ORDAINED that the Comptroller shall have no power to authorize withdrawal of funds constituting the current operating revenues of the City of Memphis from the Treasury of the City of Memphis nor shall any obligations for the expenditures of any such funds be incurred except in pursuance of this ordinance; provided, however, that the Council may appropriate in the current year a greater amount for the operation of any Division, or for any corporate purpose other than those for which an appropriation shall have been made herein in the event that the current revenues shall be available for such purposes; and, provided further, that said expenditures shall be authorized by ordinance or resolution duly adopted by the City Council.

SECTION 6. BE IT FURTHER ORDAINED that where work is done or materials furnished by one service center for another service center, the Comptroller is directed to charge the appropriation of the service center receiving and to credit the appropriation of the service center furnishing such labor or materials with the proper cost thereof, when said charge is accepted by the service center receiving same.

SECTION 7. BE IT FURTHER ORDAINED that the Comptroller shall maintain on file in his/her office the line item budget of each program, and that sums not to exceed the preceding amounts set forth in totals by Division and Program for the several funds shall so far as may be needed, be appropriated for the purpose shown for the fiscal year, July 1, 2020 through June 30, 2021, inclusive.

The Mayor shall have the authority to approve transfers between all categories, except Personnel, within the total amounts of each Program as set forth herein, however, each transfer shall have a maximum limit of \$50,000 and each Program shall have an annual cumulative limit of \$100,000 for transfers between Categories, within the total amounts of each Program. For Personnel budget transfers, the Mayor shall have authority to approve an annual cumulative limit of \$50,000 from a Personnel category to another category within each Program. An amount exceeding the annual limit of \$50,000 must be authorized by the City Council. The transfer of an amount between personnel Categories, within a

**ORDINANCE 5749
APPROPRIATION ORDINANCE**

Program that is associated with authorized and funded positions, also transfers the position to the Category receiving funding. Any transfer of appropriations between Programs shall be made only upon the authorization by Ordinance or Resolution of the City Council.

The Mayor shall have the authority to dispose of any City of Memphis owned property only in accordance with the provision of the Charter and/or Ordinance duly adopted by the City Council. The Mayor shall have the authority to lease any City of Memphis owned real property to any non-municipal entity for terms exceeding two (2) years or more only upon prior approval of the City Council.

SECTION 8. BE IT FURTHER ORDAINED that pursuant to the provisions of the City of Memphis Charter as amended when any obligation has been incurred by order, contract, agreement to purchase, hire, receive or otherwise obtain anything of value for the use of the City of Memphis by the joint action of the respective Division Directors, a liability shall be construed to have been created against the appropriation of the Division affected and the respective Division Directors and Program Heads in charge and other persons are prohibited from incurring liabilities in excess of the amount appropriated for each budget of each Program, the totals of which are set out in Section One (1), hereof, of additional amounts which may hereafter be authorized by the City Council.

SECTION 9. BE IT FURTHER ORDAINED that, at the close of each fiscal year, which is fixed as June 30, any unencumbered balance of an appropriation shall revert to the appropriate fund balance account and shall be subject to re-appropriation by the City Council, encumbered appropriations shall be carried forward into the next fiscal year from the current year budget in furtherance of improvements or for any corporate purpose which will not be completed within such current fiscal year.

ORDINANCE 5749
APPROPRIATION ORDINANCE

SECTION 10. BE IT FURTHER ORDAINED that it shall be the duty of the Comptroller to keep an account of each object item appropriation made by the City Council and each such account shall show the appropriations made thereto, the amounts drawn thereon, and he/she shall make available such information on each appropriation account to the Directors of the various Divisions.

SECTION 11. BE IT FURTHER ORDAINED that no claims against the City of Memphis shall be paid except by means of a check, manual or electronic, on the Treasury issued and signed/authorized by the Comptroller.

SECTION 12. BE IT FURTHER ORDAINED that the City Council expressly declares that each section, subsection, paragraph and provision of this ordinance is severable, and that should any portion of this ordinance be held unconstitutional or invalid, the same shall not affect the remainder of this ordinance, but such unconstitutional or invalid portion be elided, and the City Council declares that it would have passed this ordinance with such unconstitutional or invalid portions elided.

SECTION 13. BE IT FURTHER ORDAINED that this ordinance take effect from and after the date it shall have been passed by the City Council, signed by the Chairperson of the City Council, certified and delivered to the Office of the Mayor in writing by the Comptroller and become effective as otherwise provided by law.

SECTION 14. BE IT FURTHER ORDAINED that if for any reason a budget ordinance is not adopted prior to the beginning of the next succeeding fiscal year, the appropriations from the previous fiscal years' adopted budget ordinance shall become the appropriation for the new fiscal year until the adoption of the new fiscal year budget ordinance is approved, in accordance with Section 6-56-210, TENNESSEE CODE ANNOTATED, provided sufficient revenues are being collected to support the continuing appropriations.

SECTION 15. BE IT FURTHER ORDAINED, pursuant to Substitute Ordinance No. 5639 any decision of the City Council, acting as arbiter only, to resolve any impasse between the City and any employee association over economic items shall be effective and funded only to the extent of funds appropriated for such items in this Appropriation Ordinance but not otherwise.

Patrice J. Robinson (handwritten signature)

Patrice Robinson, Chairperson

Attest: Comptroller

THE FOREGOING ORDINANCE

5749 PASSED

1st Reading 5-05-2020

2nd Reading 5-19-2020

3rd Reading 6-2-2020

Approved Patrice J. Robinson Chairman of Council

Date Signed: 6/22/2020

APPROVED (handwritten signature) Mayor, City of Memphis

Date Signed: 10/29/20

I hereby certify that the foregoing is a true copy, and said document was adopted by the Council of the City of Memphis as above indicated, and approved by the Mayor,

Valerie C. Supis Comptroller



Authorized Complement Discussion

The **authorized complement** is the total number of full time positions approved by the City Council, for a City of Memphis operating divisions. The positions correlate to the amount of funded salaries. During the year vacancies occur and there is a possibility the full budgeted salary may not be used. As a result salaries are budgeted at the anticipated rate of staffing.

Below is a summary of the changes in the authorized complement from the prior year’s adopted budget:

Executive Division

The complement increased by nine (9) positions:

- A new initiative was added to the Division creating Memphis Public Service Corp (MPSC) with 4 positions - 3 positions transferred from Library and 1 position transferred from General Services
- 4 positions were moved to Communications, 3 from General services printing and 1 from Human Resources
- The Division was approved to add two (2) positions to the Office of Youth Services

The division eliminated one (1) position:

- Deputy Chief of Staff

City Engineering

This complement increased by two (2) positions:

- 2 Grants Coordinator positions were approved

Finance Division

The complement decreased by one (1) position:

- 1 position was eliminated from Purchasing during restructure

General Services

The complement decreased by three (3) positions:

- Three print shop positions were transferred to Executive Communications

Housing and Community Development

This complement increased by sixty eight (68) positions:

- Federal employees were added to the Division resulting in 68 positions being moved into the General Fund. The personnel cost were offset by federal reimbursements.

Human Resources

The complement decreased by one (1) position:

- 1 position was moved to Executive MPSC

Library Services

The complement decreased by 3 positions:

- 3 positions were moved to Executive MPSC

Park Services

The complement increased by one (1) position:

- 1 position was added in an effort to true up the position count

Police Services

The complement increased by a net forty-seven (47) positions

- Promotions of Police Officer II, Sergeants, Majors, Colonel Lieutenants
- Added 49 Police Service Techs
- Various other promotions within the Division
Reclassification of Recruit Positions

Authorized Complement Summary

Category	FY19 Adopted	FY20 Adopted	FY21 Adopted
GENERAL FUND			
City Attorney	56	56	57
City Council	25	27	27
City Court Clerk	57	57	57
City Court Judges	5	5	5
City Engineering	115	116	118
Executive	114	119	128
Finance	101	110	109
Fire Services	1,772	1,773	1,773
General Services	289	289	286
Grants and Agencies	0	0	0
Housing and Community Development	2	2	70
Human Resources	50	50	49
Information Services	28	28	28
Libraries	285	287	284
Parks and Neighborhoods	208	211	212
Police Services	2,792	2,866	2,913
Public Works	227	256	256
General Fund Total	6,126	6,252	6,372
OTHER FUNDS			
Special Revenue Funds			
Metro Alarm Fund	5	6	6
Solid Waste Fund	515	515	515
Enterprise Funds			
Sewer Fund	347	354	356
Storm Water Fund	190	190	190
Fiduciary Funds			
OPEB Fund	4	3	3
Internal Service Funds			
Healthcare Fund	8	10	10
Other Funds Total	1,069	1,078	1,080
GRAND TOTAL	7,195	7,330	7,452

CIP Resolution

RESOLUTION for City of Memphis

Capital Improvement Program

Fiscal Year 2021

WHEREAS, the Mayor submitted to the Council of the City of Memphis on May 5, 2020 a recommended Capital Acquisition Budget and a Capital Improvement Program for fiscal years 2021 through 2025; and

WHEREAS, said Capital Acquisition Budget projects needed acquisitions of vehicles and equipment and the Capital Improvement Program does project on a priority basis the anticipated Capital expenditure required to construct needed public improvements for the said period; and

WHEREAS, the Budget Committee of the Council has held meetings and reviewed thoroughly the recommended Capital Acquisition Budget and Capital Improvement Program and will make approved revisions thereto; and

WHEREAS, it is the intent of the Council that funds for replacement vehicles and equipment as set forth in the Capital Acquisition Budget should be appropriated herein; and

WHEREAS, it is the intent of the Council that funds for construction require appropriation by Council; and

WHEREAS, the Comptroller is authorized to bring forward into the 2021 fiscal year all unappropriated allocations for uncompleted projects, or projects that have not begun and are necessary to be carried forward from the fiscal year 2020 Capital Budget as carried forward dollars; and

WHEREAS, it is the intent of the Council and the Administration to effect a material reduction in future capital expenditures; and

WHEREAS, to achieve this goal all prior years G. O. Bond unappropriated allocations, that have not been approved to carry forward in the fiscal year 2021 Capital Improvement Budget, shall be unallocated and removed from the Capital Improvement Program; and

WHEREAS, provisions have been made that upon completion or deletion of any authorized project, all unused allocations or unencumbered appropriations on projects completed in FY2021, the funding will be returned to its source by the Comptroller and/or made available for transfer or reallocation, subject to further appropriation and allocation of said funds by the Council;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Memphis that the fiscal years 2021-2025 Capital Improvement Program be and the same is hereby approved and adopted as the City's Official Statement of Intent to construct needed public improvements subject to annual review and modification, and the Capital Acquisition Budget is hereby adopted as needed replacements of vehicles and equipment. Funds approved for street maintenance and asphalt/paving/resurfacing are considered approved, allocated and appropriated as set forth in the fiscal year 2021 budget upon approval, the welfare of the City requiring it. The General Obligation bond Capital Improvement Program funding for fiscal year 2021 is \$78,207,500. Appendix "A", which is the Fiscal Year 2021 CIP Budget attached hereto, details the construction projects, capital maintenance, and capital acquisitions and is made a part of this resolution.

BE IT FURTHER RESOLVED, that the fiscal year 2021 allocations in the Capital Improvement Program be and are hereby adopted as the fiscal year 2021 Capital Construction Budget and funds are appropriated for architectural/engineering services and for land options, if necessary. The Administration shall use the following procedures in moving forward with Capital Construction projects:

The Administration shall present to the appropriate Council Committee the schematic design of the project(s) as defined by the standard Architectural and Engineering

Agreement used by the City of Memphis, at an architectural or engineering expense not to exceed 20% of the contracted professional fee amount. Projects designed "in house" or gratuitously must also go through the process. Council approval in the next following regular session of the Council is then required before the continuation of any such project.

After such Council approval, Administration will proceed with final plan preparation, final land acquisition and take bids for the project. Council shall be informed as to the time limitation designated in the professional contract.

The Administration will return to the Council for approval of funds for construction expenditures.

BE IT FURTHER RESOLVED, that projects with prior years allocation in any stage of design on the date of the 2021 budget adoption, that have not followed the procedure outlined above, must be returned to the Council for approval prior to going to bid.

BE IT FURTHER RESOLVED that projects with prior years allocation, which are not yet in the design process on the date of the adoption of the 2021 CIP budget, and have been allowed for carry forward, or are funded by funds other than G. O. Bonds, must follow the same procedure outlined above for all 2020 projects.

BE IT FURTHER RESOLVED, that upon the completion/bond release of any authorized project, any unencumbered balance on projects completed in FY2021 will be returned to its source of funding, and/or made available for transfer or reallocation, subject to further allocation and appropriation of said funds by the Council.

BE IT FURTHER RESOLVED, that the Comptroller be and is hereby authorized to un-allocate and eliminate all prior year allocations that have not been carried forward in the fiscal year 2021 Capital Construction Budget.

BE IT FURTHER RESOLVED, that after construction funds have been appropriated by the Council, the Comptroller is no longer authorized to approve the transfer of unencumbered funds between categories within each project but must return to the Council for approval of such action.

BE IT FURTHER RESOLVED, that projects which subsequently require appropriations more than the total project amount approved in the fiscal year 2021 Capital Construction Budget and the Capital Acquisition Budget be subject to further Council approval.

BE IT FURTHER RESOLVED, that any land, building or facility under the jurisdiction of the City of Memphis or which has ever been funded or partially funded by the City of Memphis cannot be demolished, sold, given to, or leased to any non-municipal entity without authorization of the City Council. The authorization does not apply to routine short-term rental. Without authorization of the City Council, no assets may be received by the City.

BE IT FURTHER RESOLVED, that there be and is hereby appropriated \$8,600,000 for the acquisition of vehicles and equipment as set forth in the fiscal year 2021 allocation of the Capital Acquisition Budget.

BE IT FURTHER RESOLVED, that the Comptroller be and is hereby authorized to bring forward into the fiscal year 2021 Capital Construction Budget all appropriations and only those allocations that have been carried forward from the fiscal year 2020 Capital Construction Budget.

BE IT FURTHER RESOLVED, that the Council expressly declares that each section, sub-section, paragraph and provision of this resolution is severable, and that should any portion of this resolution be declared unconstitutional or invalid by a Court of Law, the same shall not affect the remainder of this resolution, but such unconstitutional or invalid portion shall be elided, and the City Council declares that it would have passed this resolution with such unconstitutional or invalid portions elided.

BE IT FURTHER RESOLVED, that this resolution take effect from and after the date it shall have been passed by the Council, signed by the Chairperson of the Council, certified and delivered to the office of the Mayor in writing by the Comptroller, and become effective as otherwise provided by the law.

Chairperson of Council

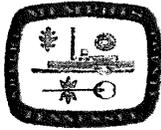
ATTEST:

Comptroller, City of Memphis

I hereby certify that the foregoing is a true copy and document was adopted, approved by the Council of the City of Memphis in regular session on

Date JUN 02 2020

Valerie C. Snyser
Deputy Comptroller-Council Records



**RESOLUTION for Fiscal Year 2021 Capital Improvement Project
Information Technology Project Funding Allocation**

WHEREAS, the US Department of Treasury through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) - Coronavirus Relief Fund, has provided payments to assist State, Local, and Tribal governments in navigating the impact of the COVID-19 outbreak; and

WHEREAS, The CARES Act requires that the payments from the Coronavirus Relief Fund only be used to cover expenses that—

- (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
- (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

WHEREAS, the City of Memphis has received federal CARES Act funding in the amount of \$113,607,218 and has presented a Strategic Plan for proposed resource allocation, related program development, and implementation timing; and

WHEREAS, COVID-19 has permanently altered the course of government technology and has created a unique marketplace in which employees and citizens are highly reliant on technology to conduct business, and wherein business continuity and emergency preparedness are of primary concern; and

WHEREAS, the City is prepared to move forward with Information Technology Division projects categorized in the Funding Strategic Plan to ensure the City is equipped to deliver and provide technology that supports the increased demand of telecommuting, video conferences, and virtual formats, that ensures employees can work and collaborate from anywhere, that provides a communication and network system that certifies high levels of security and protection of sensitive data, and that provides hardware, software, and technology platforms that offer evident and significant impact to City operations; and

WHEREAS, the allocation for funding from the CARES Act Coronavirus Relief Fund is limited and the Administration and Council recognize various needs for the operations of the City of Memphis business models and well as providing economic relief to the Citizens and businesses of the City; and

WHEREAS, it has been determined that the following projects could be funded through General Obligation bond debt as part of the Capital Improvement Program (CIP):

IS01062 Phone System Upgrade	\$5,300,000
IS01077 Time and Attendance System	\$1,500,000
IS01083 Desktop and Application Infrastructure	\$ 500,000
IS01084 Network Infrastructure Upgrade	\$ 200,000

NOW, THEREFORE BE IT RESOLVED, that the following expenditures incurred for actions taken to response to the changing demands of technological requirements and improvements as a result of the public health emergency of COVID-19 be approved by funding through General Obligation Bond Debt as part of the City's Capital Improvement Program. However, should additional funding be provided to the City in response to the pandemic, the City reserves the right to consider offset of the General Obligation Debt incurred for these expenditures in the amount up to \$7,500,000 in accordance with any guidance or guidelines provided by the funding entity as follows:

IS01062 Phone System Upgrade	\$5,300,000
IS01077 Time and Attendance System	\$1,500,000
IS01083 Desktop and Application Infrastructure	\$ 500,000
IS01084 Network Infrastructure Upgrade	\$ 200,000

THEREFORE, BE IT FURTHER RESOLVED, that the Fiscal Year 2021 Capital Improvement Program Budget be and is hereby amended by allocating and appropriating revenues in the amount of \$7,500,000 from General Obligation Bond debt and appropriation of \$7,500,000 of allowable technological improvement expenditures.

I hereby certify that the foregoing is a true copy and document was adopted, approved by the Council of the City of Memphis in regular session on

Date JUL 07 2020

Valerie C. Srupis
Deputy Comptroller-Council Records

FY2021 CIP Resolution

APPENDIX A

Division	Project Number	Project Name	Funding/Allocation
Engineering	EN01067	HSIP Coverline	\$150,000
	EN01096	LED Traffic Signal Replacement	\$500,000
	EN21100	Traffic Signals Coverline	\$750,000
	EN21200	Traffic Calming Devices Coverline	\$1,700,000
	EN21300	Urban Art Coverline	\$350,000
		Engineering Subtotal	\$3,450,000
Fire Services	FS02011	Replace Fire Station #43	\$535,000
	FS02029	Fire Station 5 Construction	\$4,000,000
	FS02032	EMA Sirens	\$140,000
	FS04012	Personal Protective Equipment	\$604,000
	FS21100	Fire Station Repair Coverline	\$750,000
		Fire Services Subtotal	\$6,029,000
General Services	GS01032	CoMem Phase II	\$10,000,000
	GS21100	Major Modification (Property Maint) Coverline	\$3,700,000
	GS0221A-I	City-wide Fleet Acquisitions	\$8,600,000
		General Services Subtotal	\$22,300,000
HCD	CD01030	MHA-Foote Homes Future HOPE VI	\$6,000,000
	CD02016	Fairgrounds Redevelopment II	\$4,000,000
		HCD Subtotal	\$10,000,000
Information Technology	IS01062	Telephone Systems Upgrade	\$5,300,000
	IS01077	Time and Attendance System	\$1,500,000
	IS01081	Data Center Relocation	\$550,000
	IS01083	Desktop & Application Infrastructure	\$500,000
	IS01084	Network Infrastructure Upgrade	\$200,000
		Information Technology Subtotal	\$8,050,000
Library Services	LI01030	New Frayser Library	\$3,870,000
		Library Services Subtotal	\$3,870,000

FY2021 CIP Resolution APPENDIX A

Division	Project Number	Project Name	Funding/Allocation
MATA	GA03007	Fixed-Route Buses	\$360,000
	GA03011	Paratransit In-Service Vehicles	\$50,000
	GA03022	Advanced Public Transportation System	\$50,000
	GA03023	Operations/Maintenance Facility	\$73,660
	GA03024	Rail Facility Improvements	\$50,000
	GA03025	Bus Facility Improvements	\$50,000
	GA03026	Rail Vehicles	\$165,000
	GA03028	Innovation Corridor Bus Rapid Transit	\$1,159,840
		MATA Subtotal	\$1,958,500
Memphis River Parks	GA01028	Mud Island Amphitheater Upgrade	\$200,000
		Memphis River Parks Subtotal	\$200,000
Parks	PK01032	Ed Rice Community Center	\$1,700,000
	PK03004	Tennis Major Maintenance	\$600,000
	PK09002	Zoo Major Maintenance & Others	\$250,000
	PK21100	Parks and Neighborhoods Coverline	\$2,500,000
	PK21200	Council District Improvements	\$1,400,000
		Parks Subtotal	\$6,450,000
Police Services	PD02013	Police Academy Renovation	\$750,000
	PD04022	In-Car Video - GPS	\$600,000
	PD04029	Radio Maintenance Rehab Project	\$500,000
		Police Services Subtotal	\$1,850,000
Public Works	PW21100	Asphalt Paving Coverline	\$19,500,000
	PW21200	Replace Various Sidewalks	\$250,000
	PW21300	ADA Curb Ramp Coverline	\$1,000,000
	PW21400	Bridge Repair Coverline	\$800,000
		Public Works Subtotal	\$21,550,000
GRAND TOTAL - G.O. BONDS			\$85,707,500

Capital Improvement Budget Overview

The Fiscal Years 2021-2025 Capital Improvement Program (CIP) is a multi-year plan for capital expenditures to replace and expand the City's infrastructure, vehicles and equipment. For program purposes, the City defines a capital improvement as a major improvement or acquisition grouping costing over \$50,000. The program is updated annually to reflect the latest priorities, updated cost estimates and available revenue sources.

The purpose of the CIP Plan is to outline the funding for capital projects and capital acquisitions that will be of a long-term benefit to the citizens of Memphis. Because projects in the CIP Plan have long-term benefits, they are financed over a longer period of time. As a result, present and future users pay for the projects.

The Capital Improvement Budget is the annual allocation to the CIP that is set aside to fund major construction projects, acquire property, purchase equipment and fund ongoing capital programs for the City. The CIP Budget is a one-year allocation. Adoption of the CIP Budget by the City Council allows for the allocation of funds for the first year of the program, or in the case of carried-forward projects, a reallocation of unappropriated funding. The City attempts to budget annual General Obligation (G.O.) Bonds specifically at an average rate of retirement of older bonds. This is currently approximately \$85.7 million. Specific language on how to appropriate and spend construction funds is contained in the CIP Resolution.

Capital Funding Sources

The City's adopted Capital Budget is \$248.5 million in total allocations for Fiscal Year 2021. Listed below are our major sources for Capital Funding.

Long Term Debt

General Obligation (G.O.) Bonds, are \$85.7 million or 34.5% of the total allocation for the Fiscal Year 2021. The Sewer Fund will also use \$20.0 million of Sewer Revenue Bonds (SRB) for sewer rehabilitation.

Federal Grants / State Grants

The majority of these federal funds are for Memphis Area Transit Authority (MATA) projects and Public Works projects that qualify for federal grants. State grants represent the State-matching portion of the MATA funds and Public Works projects that qualify for State funds. State funding will also come into the State Street Aid (SSA) Fund. A new revenue source, the IMPROVE Act (Improving Manufacturing, Public Roads, & Opportunities for a Vibrant Economy), was added to the SSA Fund in Fiscal Year 2018. Revenue from the Act is purposed to help improve roads, and as such, some of the CIP projects that relate to road improvement are partially funded from this resource.

Capital Asset Disposition

Capital Asset Disposition funds represent the proceeds from the sale of City assets (primarily buildings) that will be repurposed for other building needs. Currently Fire Station relocations are the focus for repurposing capital asset disposition funds.

Capital Pay-Go

In addition to Sewer Revenue Bonds, the Sewer Fund's current projects are also funded by Capital-Pay-Go, as are Storm Water projects. Projects funded by "Capital-Pay-Go" allocations represent internally generated funds.

Carryforward Funding

Projects allocated in previous years' Capital Budgets that have been delayed may be carried forward into the next fiscal year, according to the priorities of the administration, for spending in the new plan. Carry forward funds represent \$403.6 million. These funds are the unspent allocations from the prior year's approved CIP Plan that could not be allocated within the prior year because the timeframe for completion is greater than one year. Unspent allocations are shown as "Carryforward" funding within the respective Divisions. Specific projects where unspent appropriations will carry forward into the Fiscal Year 2021 CIP spending are identified in the respective divisions.

Capital Improvement Budget Highlights

The City's planned CIP spending aligns with current priorities that are focused on projects that enhance the City's economic development strategy, leverage federal or private funding, projects that maintain existing facilities, and projects mandated by law. The Fiscal Year 2021 CIP Budget for G.O. Bond spending is \$85.7 million. The CIP budget includes \$5.3 million towards the telephone systems upgrade across all City of Memphis divisions. The telephone system upgrade is scheduled to be completed in 2021. In the area of Housing and Community Development, \$6.0 million is included for HOPE VI (Housing Opportunities for People Everywhere). This project will remove the last public housing project in the City (Foote Homes). There is a continued emphasis on road paving, which is proposed for \$19.5 million in G.O. Bond funding, and an increased funding in Engineering for traffic calming devices. Major highlights by division are:

Engineering – Funding is included for the replacement of traffic signals, traffic speed humps, and transportation improvements.

Fire Services – Funding is included for the construction and relocation of fire stations.

General Services – Funding will be applied towards major improvements mandated by the Americans with Disabilities Act (ADA) and ongoing improvements to various City buildings. This budget also reflects \$8.6 million for City-wide vehicle and equipment purchases.

Housing and Community Development – Funding is included for the MHA-Foote Homes Future HOPE VI

City initiative and the Fairgrounds Project. The G.O. bond funds for the HOPE VI initiative will be supported by federal funds.

Information Technology – Funding is included for the upgrade of the City's telephone systems to bring them into compliance with the City's standard.

Library Services – Funding is included to begin construction of the New Frayser Branch Library.

Memphis Area Transit Authority – This budget is heavily leveraged by Federal and State funding. This year's budget includes repairs to the infrastructure, the purchase of rail vehicles and funding for the Advanced Public Transportation System and a new Bus Rapid Transit (BRT) line.

Memphis River Parks Partnership – This budget provides funding for upgrades at the Mud Island Amphitheater.

Parks and Neighborhoods – Funding is included for environmental and recreational improvements to parks and tennis courts.

Police Services – This budget includes funding for renovations to the Police Academy.

Public Works – Funding is included to pave more than 400 lane miles of streets each year, including ADA ramp improvements and several road projects. The Storm Water Fund CIP budget will allow the City to make major investments in drainage infrastructure throughout the City. The Sewer Fund's projects are for the repair and replacement of sewer infrastructure, new sewer connections and improvements to the treatment plants.

Budget Development Process

The Budget Office uses financial data provided by city divisions to facilitate the review and approval of the Operating and Capital Improvement Budgets. The Budget Office is responsible for ensuring the operation of all divisions within financial guidelines established by Administrative Policy and City Council legislation. The Budget Office is also responsible for forecasting all general revenue for the City.

The Capital Improvement Program (CIP) is a five-year plan for capital allocations that is reviewed annually for priority adherence and project variances. This plan examines each City project and specifies the source of financing for projected expenditures. The process begins in November when a cross-divisional CIP committee is assembled. The committee evaluates the City's needs and meets with divisions (starting in January) to review their requests. Requested projects are analyzed by the Finance Division and external bond counsel, and finally compiled and reviewed with the Mayor. In April, the Mayor presents the plan to Council along with the operating budget. The Council conducts hearings and adopts a CIP resolution. The Council's adoption of the CIP Resolution authorizes the spending of a portion of engineering, architecture, land acquisition and development costs, and rolling stock through administrative appropriations. Funds for construction costs, equipment, and acquisition contracts are subject to additional authorization by the Council. Prior and current CIP allocations will remain in the plan until the Division in charge of the project, or Council, determines that the project is completed or to be unfunded.

The Budget Office monitors the CIP Budget through the use of tracking reports, which are reviewed during budget submission and are monitored at various intervals during the year. The CIP Budget may be amended during the fiscal year when divisions submit resolutions to Council for approval.

The Capital Budget and Capital Improvement Program are prepared annually to forecast anticipated capital expenditures planned for each of the next five fiscal years. The total project costs and the funding sources (local, state, federal and private) are esti-

mated. The Capital Improvement Program is prepared after a rigorous review and evaluation of all proposed projects by the Capital Review Committee. Building Design and Construction reviews the scope of all requests involving construction or major renovations to City-owned structures. Debt Management studies the fiscal feasibility of the projects submitted for future funding needs. The single-year CIP Plan allocates capital expenditures made in the current budget year. The Capital Budget must be in full conformity with the Capital Improvement Program applicable to the fiscal year that it covers.

Additional authorizations (appropriations) for each capital project in the Capital Budget must precede the expenditures of construction funds.

Changes to the CIP Budget - Transferring Allocations / Appropriations

Once the CIP has been adopted by the City Council, the data is loaded into the City's Accounting System. During the life of the project, it may be necessary to provide additional allocations or transfer funds to aid in the completion of the project.

Initially, the CIP project is checked for funds verification. After it is determined that the funds are available, two methods are used to transfer or establish allocations and/or appropriations.

- 1 The Capital Improvement Budget Request for Administrative Transfer or Appropriation Form (Blackline) is used to:
 - A Record the initial appropriation of the planning lines (architecture & engineering, land development, land acquisition) upon the adoption of the CIP by the City Council.
 - B Transfer allocations and appropriations within planning lines or within construction lines (contract construction, latent conditions, and other costs).
 - C Transfer allocations from "coverline" project planning lines to the new project planning lines and the appropriation of the lines.

2 The Capital Improvement Budget Request for Council Transfer and Appropriation Form (Redline) is used to:

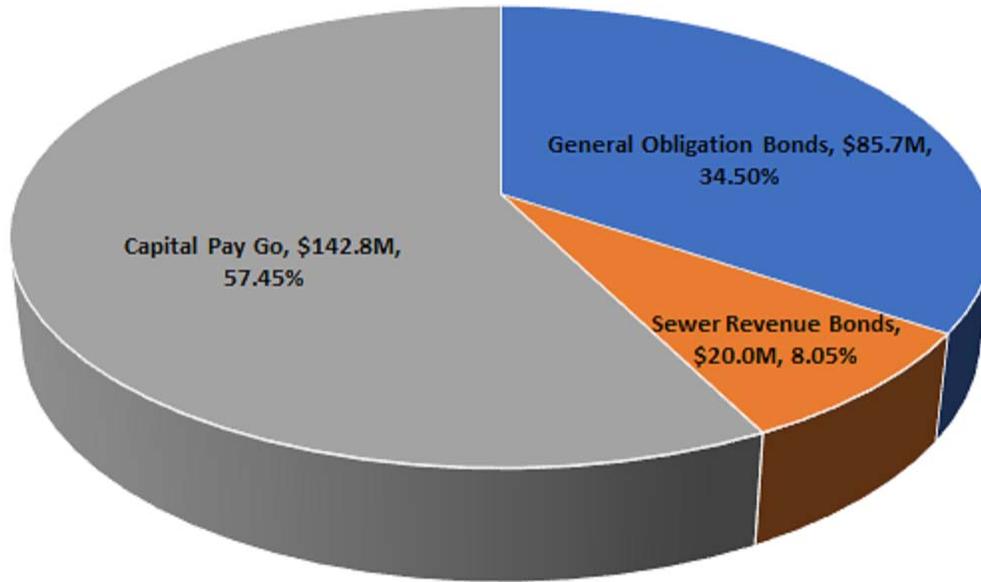
- A Appropriate all construction lines.
- B Transfer allocations and appropriations between projects.
- C Increase/decrease allocations or appropriations of a project.

Changes to the CIP budget must be done through Budget Resolutions.

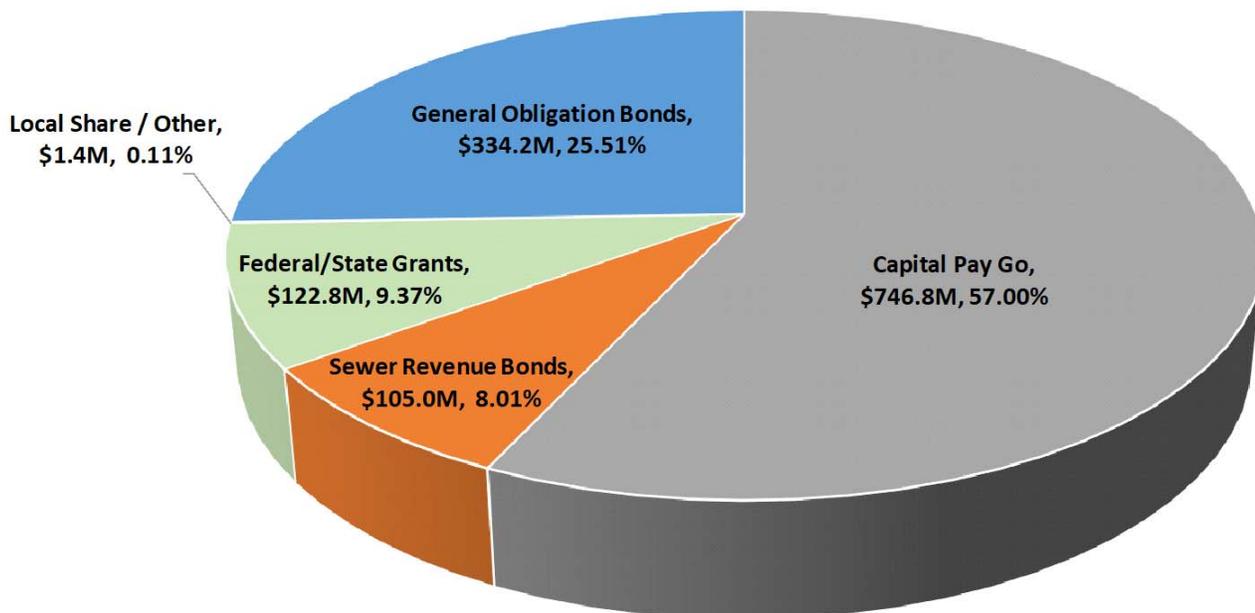
City Wide Summary by Category

	Carry For-ward	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
REVENUE SOURCES							
Capital PAY GO	259,523,268	142,750,000	92,050,000	90,650,000	88,400,000	73,400,000	746,773,268
Federal Grants CIP	122,058,167	0	0	0	0	0	122,058,167
General Obligation Bonds	20,757,703	85,707,500	82,484,326	56,935,913	53,466,833	34,830,500	334,182,775
Local Other CIP	1,444,759	0	0	0	0	0	1,444,759
Operating Transfers In	44,300	0	0	0	0	0	44,300
Sewer Revenue Bonds	0	20,000,000	50,000,000	35,000,000	0	0	105,000,000
State Grants All	712,000	0	0	0	0	0	712,000
Total Revenues	404,540,197	248,457,500	224,534,326	182,585,913	141,866,833	108,230,500	1,310,215,269
EXPENDITURE TYPES							
Architecture and Engineering	182,956,474	76,983,500	73,428,000	70,266,613	35,193,613	33,953,000	472,781,200
Contract Construction	210,769,800	149,110,000	138,860,826	105,004,778	101,764,778	70,717,000	776,227,182
Equipment CAP	0	130,000	0	0	0	0	130,000
Furniture Fixtures Equipment	2,241,750	835,000	1,235,000	2,988,207	2,285,167	1,000,000	10,585,124
Information Technology	950,000	9,450,000	7,480,000	1,515,815	62,775	0	19,458,590
Land Acquisition	6,355,643	1,410,000	620,000	620,000	370,000	370,000	9,745,643
Land Development	0	250,000	0	0	0	0	250,000
Other Cost	304,000	1,819,000	2,910,500	2,190,500	2,190,500	2,190,500	11,605,000
Vehicles CAP	962,530	8,470,000	0	0	0	0	9,432,530
Total Expenditures	404,540,197	248,457,500	224,534,326	182,585,913	141,866,833	108,230,500	1,310,215,269

CAPITAL IMPROVEMENT PROGRAM WHERE THE MONEY COMES FROM



FY 2021 Budget \$248,457,500



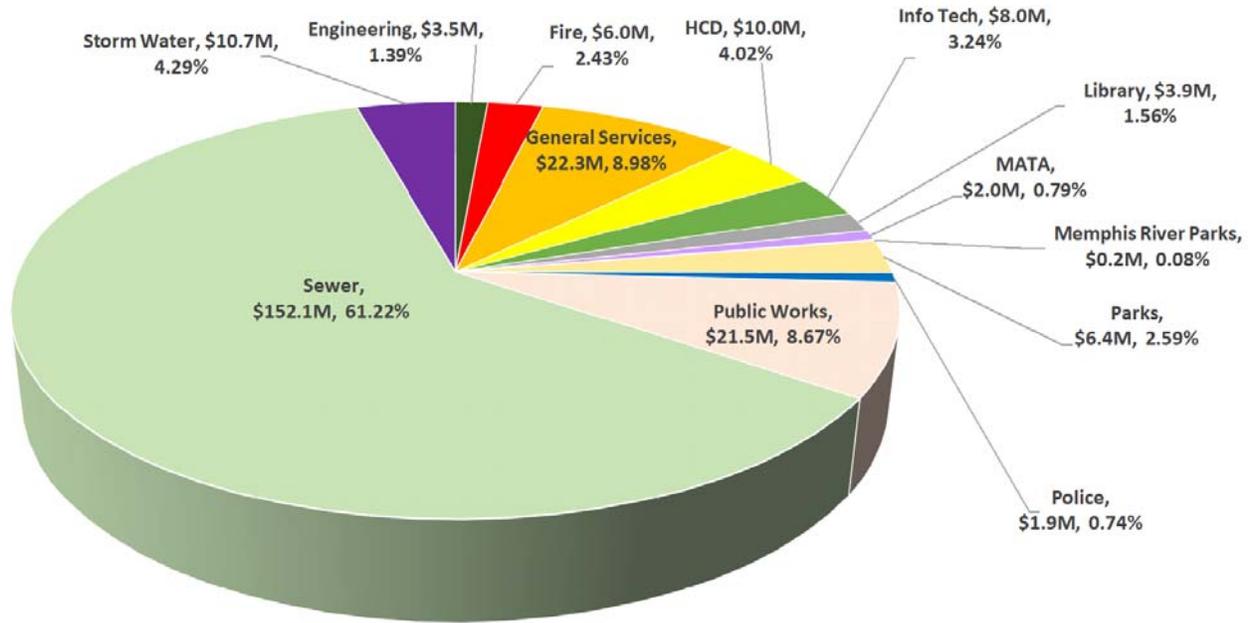
FY 2021 - 2025 Programs \$1,310,215,269

Includes Carryforward Allocation

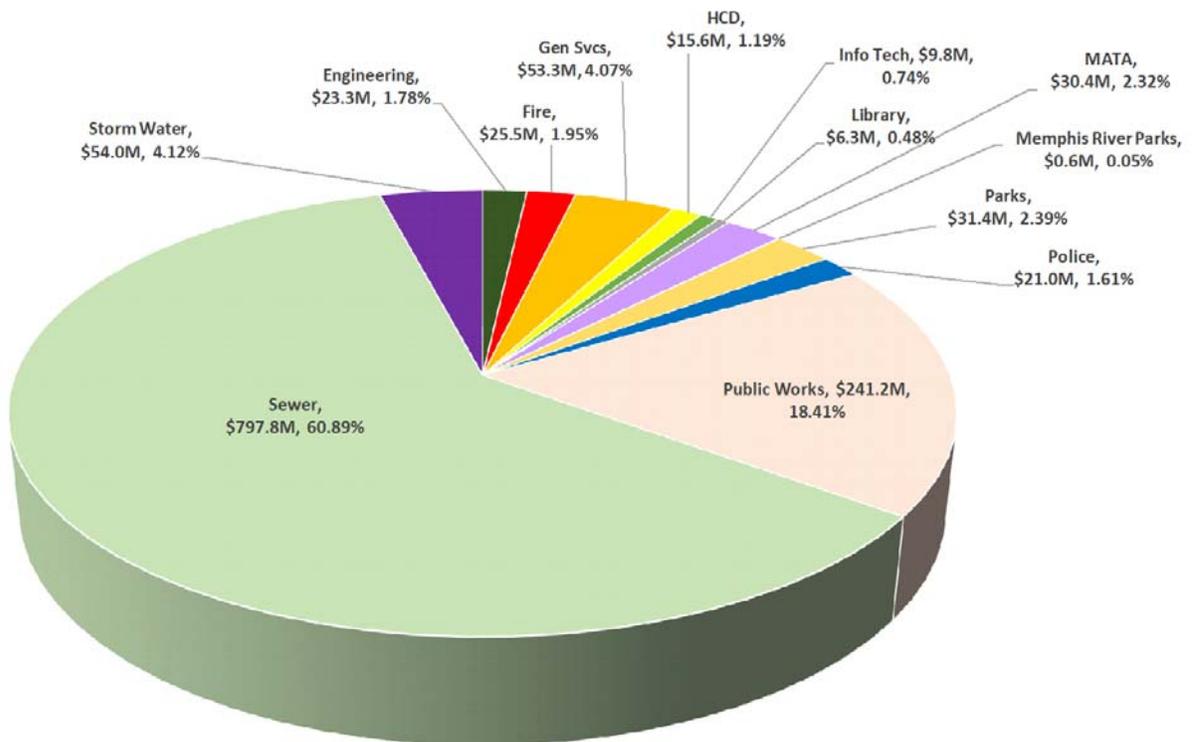
City Wide Summary by Division

Division	Carry Forward	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Engineering	5,476,175	3,450,000	4,460,000	3,960,000	2,960,000	2,960,000	23,266,175
Executive	50,000	0	0	0	0	0	50,000
Fire Services	0	6,029,000	9,558,114	3,315,500	3,315,500	3,315,500	25,533,614
General Services	962,530	22,300,000	10,000,000	10,000,000	10,000,000	0	53,262,530
Housing and Community Development	1,500,000	10,000,000	3,000,000	1,100,000	0	0	15,600,000
Information Technology	0	8,050,000	950,000	750,000	0	0	9,750,000
Library Services	0	3,870,000	2,420,000	0	0	0	6,290,000
MATA	2,291,750	1,958,500	7,496,212	8,504,333	8,504,333	1,655,000	30,410,128
Memphis River Parks	400,000	200,000	0	0	0	0	600,000
Parks and Neighborhoods	416,034	6,450,000	8,800,000	5,350,000	5,250,000	5,100,000	31,366,034
Police Services	1,411,260	1,850,000	14,000,000	2,156,080	1,637,000	0	21,054,340
Public Works	132,509,180	21,550,000	21,800,000	21,800,000	21,800,000	21,800,000	241,259,180
Sewer Fund	250,511,694	152,100,000	132,950,000	117,250,000	80,000,000	65,000,000	797,811,694
Storm Water Fund	9,011,574	10,650,000	9,100,000	8,400,000	8,400,000	8,400,000	53,961,574
Total	404,540,197	248,457,500	224,534,326	182,585,913	141,866,833	108,230,500	1,310,215,269

CAPITAL IMPROVEMENT PROGRAM USE OF FUNDS



FY 2021 Budget \$248,457,500



FY 2021 - 2025 Programs \$1,310,215,269

Includes Carryforward Allocation

The Impact of Debt Service Cost and Operating Cost for FY2021

The cost of capital assets manifests in the General Fund (operational costs) or the Debt Service Fund (principal and interest costs). The General Fund budget is established by an ordinance and the Capital Improvement Program (CIP) budget is established by a resolution.

The financial impact of CIP projects is the annual cost of debt service. Debt service projects impact operational costs because of the issuance of General Obligation (G.O.) Bonds, which are repaid by the tax rate charged to citizens. The property tax rate finances both the General Fund and the Debt Service Fund. In theory, if debt increases, larger portions of property tax revenue are assigned to debt for the payment of G.O. bonds, which reduces resources for operating costs. The City has a G.O. Bond target to essentially maintain the property tax rate apportionment between the General Fund and the Debt Service Fund within a specific range. This target is established considering debt that will also be retired within the fiscal year.

The summary below lists projects above \$3.0 million in the CIP Budget for FY2021 along with their related G.O. funding amounts, and the associated impact on debt service and the operating budget. The cost of debt is generally considered to be \$80,000 per million. The debt service payments will average 20-30 years depending on the project. Projects not detailed are either under \$3.0M, considered as replacement investments for fully used existing capital assets, or for maintenance and/or improvements. The cost to maintain these assets are in the current funding base. Therefore, these projects are budget neutral. A full listing of all FY2021 CIP projects follows this summary.

Division: Public Works

Project Name: Asphalt/Paving
Project Number: PW21100

This project funds the asphalt and paving activities performed by the City through contracted services.

G.O. Funding: \$19.5M
Debt Service Impact: \$1.6M
Operating Budget Impact: None

Division: General Services

Project Name: CoMEM Phase II
Project Number: GS01032

This project provides funds to complete the design phase for the Municipal Complex Phase II (former Walter Simmons property).

G.O. Bond Funding: \$10.0M
Debt Service Impact: \$800K
Operating Budget Impact: None

Division: Housing and Community Development

Project Name: MHA-Foote Future Hope VI
Project Number: CD01030

South City CNI (Foote Homes Project) is part of the South City Urban Renewal Plan. Funding will provide new rental housing to a mixed-income population. The physical plans will be implemented in multiple phases on the old Foote Homes site and in the surrounding neighborhood on acquired land. The transformation will include demolition of existing dwellings, improved park and open space, community facilities, library, neighborhood retail and comprehensive supportive services and programs.

G.O. Funding: \$6.0M
Debt Service Impact: \$480K
Operating Budget Impact: None

Division: Information Technology

Project Name: Telephone Systems Upgrade
Project Number: IS01062

This project upgrades or replaces existing telephone systems in all Divisions to bring them into compliance with the City’s standard.

G.O. Funding: \$5.3M
Debt Service Impact: \$424K
Operating Budget Impact: Lower maintenance and replacement part costs

Division: Housing and Community Development

Project Name: Fairgrounds Redevelopment II
Project Number: CD02016

This project, Phase 2 of the Fairgrounds Redevelopment, includes critical infrastructure and campus improvements as well as the relocation of the existing track and football field to Tobey Park.

G.O. Funding: \$4.0M
Debt Service Impact: \$320K
Operating Budget Impact: None

Public Works Division – Sewer Fund

The Sewer Fund’s current projects are funded by Capital Pay Go (CPG), the Water Infrastructure Finance and Innovation Act (WIFIA), Clean Water State Revolving Fund (CWSRF) loans, and Sewer Revenue Bonds (SRB). The CPGs fund current projects through the use of fund balance. CWSRF and WIFIA are lines of credit that are available for the planning, design, and construction phases of wastewater facilities. The funds may be used for all three phases in any combination. Eligible projects include new construction or the upgrading/expansion of existing facilities and may encompass wastewater treatment plants, pump stations, force mains, collector sewers, interceptors, elimination of combined sewer overflows, and/or nonpoint source pollution remedies.

Division: Fire Services

Project Name: New Fire Station #5
Project Number: FS02029

This project will relocate Fire Station Number 5. The new facility is estimated to be completed by June 30, 2022.

G.O. Funding: \$4.0M
Debt Service Impact: \$320K
Operating Budget Impact: None

Division: Library Services

Project Name: New Frayser Library
Project Number: LI01030

This project will replace the current 6,400 sq. ft. library with a 25,000 sq. ft. branch. The new branch will offer expanded service, including a larger collection of materials, community meeting/study facilities, increased public computer capacity, and expanded regular and handicap parking.

G.O. Funding: \$3.9M
Debt Service Impact: \$312K
Operating Budget Impact: None

The City is currently in final negotiations to secure a WIFIA loan. Once finalized, this loan — valued at \$156 million — will be associated with upgrades to the T.E. Maxson Facility (SW02033). The City currently has four active CWSRF loans. Three loans, valued at \$48 million, \$25 million, and \$11 million, are associated with upgrades to the T.E. Maxson Facility (SW02033). The fourth loan is for \$6.5 million and is associated with the sewer rehabilitation of the City of Memphis’ collection system (SW05001). The term of each CWSRF loan is 20 years. SRBs will also be used for sewer rehabilitation and assessment.

FY2021 Capital Improvement Budget Summary

Project Number	Project Name	Carry Forward	FY 2021	Total FY 2021
ENGINEERING				
EN01026	Medical Center Streetscape	5,027,230	0	5,027,230
EN01036	STP Pedestrian Routes	155,062	0	155,062
EN01067	HSIP Cover Line	293,883	150,000	443,883
EN01096	LED Traffic Signal Replacement	0	500,000	500,000
EN21100	Traffic Signals FY21	0	750,000	750,000
EN21200	Traffic Calming Devices FY21	0	1,700,000	1,700,000
EN21300	Urban Art FY21	0	350,000	350,000
Total Engineering		5,476,175	3,450,000	8,926,175
EXECUTIVE				
GA01030	X-Ray Machine-Animal Services	50,000	0	50,000
Total Executive		50,000	0	50,000
FIRE SERVICES				
FS02011	Replace Fire Station #43	0	535,000	535,000
FS02029	FS5 Construction	0	4,000,000	4,000,000
FS02032	EMA Sirens	0	140,000	140,000
FS04012	Personal Protective Equipment	0	604,000	604,000
FS21100	FY21 Fire Stat Improv Cover	0	750,000	750,000
Total Fire Services		0	6,029,000	6,029,000
GENERAL SERVICES				
GS01032	CoMEM Phase II	0	10,000,000	10,000,000
GS21100	FY21 Major Mod	0	3,700,000	3,700,000
GS0221A	FY21 CAQ Police Services	532,772	3,495,000	4,027,772
GS0221B	FY21 CAQ Engineering	0	220,000	220,000
GS0221C	FY21 CAQ Public Works	178,354	0	178,354
GS0221D	FY21 CAQ PW-Street Maint	0	391,000	391,000
GS0221E	FY21 CAQ Exec-Animal Services	4,545	64,200	68,745
GS0221F	FY21 CAQ Fire Services	4,928	3,939,352	3,944,280
GS0221G	FY21 CAQ General Services	241,931	0	241,931
GS0221H	FY21 CAQ Parks & Neighborhoods	0	443,000	443,000
GS0221I	FY21 CAQ Library Services	0	47,448	47,448
Total General Services		962,530	22,300,000	23,262,530
HOUSING AND COMMUNITY DEVELOPMENT				
CD01030	MHA-Foote Future HOPE VI	0	6,000,000	6,000,000
CD01097	Klondike-Smokey City	1,500,000	0	1,500,000
CD02016	Fairgrounds Redevelopment II	0	4,000,000	4,000,000
Total Housing and Community Development		1,500,000	10,000,000	11,500,000
INFORMATION TECHNOLOGY				
IS01062	Telephone Systems Upgrade	0	5,300,000	5,300,000
IS01077	Time & Attendance System	0	1,500,000	1,500,000
IS01081	Data Center Relocation	0	550,000	550,000
IS01083	Desktop & App Infrastructure	0	500,000	500,000

FY2021 Capital Improvement Budget Summary *(continued)*

Project Number	Project Name	Carry Forward	FY 2021	Total FY 2021
IS01084	Network Infrastructure Upgrade	0	200,000	200,000
	Total Information Technology	0	8,050,000	8,050,000
LIBRARY SERVICES				
LI01030	New Frayser Library	0	3,870,000	3,870,000
	Total Library Services	0	3,870,000	3,870,000
MATA				
GA03007	MATA-Fixed Route Buses	0	360,000	360,000
GA03011	MATA-Paratransit In-Service	841,750	50,000	891,750
GA03022	MATA-Adv Public Transp System	0	50,000	50,000
GA03023	MATA-Operations/Maint Facility	1,450,000	73,660	1,523,660
GA03024	Rail Facility Improvements	0	50,000	50,000
GA03025	Bus Facility Improvements	0	50,000	50,000
GA03026	Rail Vehicles	0	165,000	165,000
GA03028	Innovation Corridor BRT	0	1,159,840	1,159,840
	Total MATA	2,291,750	1,958,500	4,250,250
MEMPHIS RIVER PARKS				
GA01028	Mud Island Amphitheater	0	200,000	200,000
GA01029	Mud Island / Beale Street	400,000	0	400,000
	Total Memphis River Parks	400,000	200,000	600,000
PARKS SERVICES				
PK01032	Ed Rice Comm Ctr Replacement	0	1,700,000	1,700,000
PK03004	Tennis Major Maintenance	0	600,000	600,000
PK07012	Greenway Improvements	116,034	0	116,034
PK09002	Zoo Major Maintenance & Others	300,000	250,000	550,000
PK21100	Parks Coverline FY21	0	2,500,000	2,500,000
PK21200	Council Improvements for Parks	0	1,400,000	1,400,000
	Total Parks Services	416,034	6,450,000	6,866,034
POLICE SERVICES				
PD02013	FY18 Police Academy Renov	499,200	750,000	1,249,200
PD04022	In-Car Video/GPS	0	600,000	600,000
PD04029	Radio Maintenance Rehab Proj	912,060	500,000	1,412,060
	Total Police Services	1,411,260	1,850,000	3,261,060
PUBLIC WORKS				
PW21100	Asphalt/Paving Coverline FY21	0	19,500,000	19,500,000
PW21200	Sidewalks Coverline FY21	0	250,000	250,000
PW21300	ADA Curb Ramp Coverline FY21	0	1,000,000	1,000,000
PW21400	Bridge Repair Coverline FY21	0	800,000	800,000
PW01056	Holmes-Millbranch to East	14,834,363	0	14,834,363
PW01064	Elvis Presley/Shelby/Winch	6,691,492	0	6,691,492
PW01179	Holmes Road East Malone-Lamar	14,612,760	0	14,612,760
PW01245	STP Bike/Ped Group	5,695,758	0	5,695,758

FY2021 Capital Improvement Budget Summary *(continued)*

Project Number	Project Name	Carry Forward	FY 2021	Total FY 2021
PW01253	Repair 14 Bridges Sam Cooper	3,058,500	0	3,058,500
PW01257	Shelby Farms Greenline Trail	4,741,085	0	4,741,085
PW01260	Sandbrook Realignment	225,158	0	225,158
PW01277	Poplar-Front to Bellevue	4,196,577	0	4,196,577
PW01278	Poplar-Yates to I-240	7,650,368	0	7,650,368
PW01280	Union Ave-Pauline to Flicker	2,400,000	0	2,400,000
PW01284	Shelby - Paul Lowery to Weaver	63,043,200	0	63,043,200
PW04103	Walker Ave. Streetscape Ph. 2	545,227	0	545,227
PW04117	Old Melrose Site Rehab	500,000	0	500,000
PW04118	Harbor Avenue Repaving	3,600,000	0	3,600,000
PW04119	STBG Group 1 Resurfacing	304,182	0	304,182
PW04120	STBG Group 2 Resurfacing	410,510	0	410,510
Total Public Works		132,509,180	21,550,000	154,059,180
SEWER FUND				
SW21100	FY21 Misc Sub Outfalls Cover	0	3,150,000	3,150,000
SW21200	FY21 Rehab Existing Coverline	0	14,000,000	14,000,000
SW21300	FY21 Svc Unsewered Coverline	0	1,850,000	1,850,000
SW02006	Sludge Disp/Earth Complex	5,700,000	15,000,000	20,700,000
SW02011	Covered Anaerobic Lagoon	27,800,000	8,000,000	35,800,000
SW02033	South Plant Expansion	147,180,523	20,500,000	167,680,523
SW04007	Environmental Maint Relocation	11,289,811	600,000	11,889,811
SW04009	Stiles Plant Modification	12,208,209	15,000,000	27,208,209
SW04011	Stiles WWTF Biosolids Upgrades	15,000,000	24,000,000	39,000,000
SW05001	Sewer Assessment and Rehab	31,333,151	50,000,000	81,333,151
Total Sewer Fund		250,511,694	152,100,000	402,611,694
STORM WATER				
ST02001	Design - ST Coverline	4,084,249	5,550,000	9,634,249
ST03205	Drainage - ST Coverline	3,113,295	0	3,113,295
ST03207	Flood Control - ST Coverline	364,030	3,750,000	4,114,030
ST03211	Curb & Gutter Misc Loc	0	500,000	500,000
ST03214	Flood Mitgn Land Acq Coverline	350,000	350,000	700,000
ST03216	Bridge Repair ST	500,000	500,000	1,000,000
ST03217	Bartlett Rd/Fletcher - Storm	600,000	0	600,000
Total Storm Water		9,011,574	10,650,000	19,661,574
GRAND TOTAL FY 2021		404,540,197	248,457,500	652,997,697